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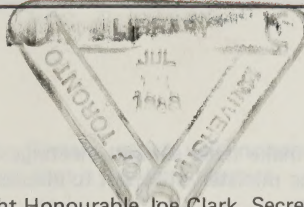


# Statements and Speeches

No. 85/1

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## CHANGES IN CANADA

Notes for an Address by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Canada/California Chamber of Commerce, Los Angeles, February 20, 1985.

...As you would expect, I want to talk today about Canada-United States relations. If you have been watching developments in Canada over the past several months, you will guess that I am going to talk about a new self-confidence in my country — a country that is changing our laws to welcome foreign investment, asserting our sovereignty to co-operate in modernizing northern warning systems against Soviet attack; reducing our government debt burden; and placing unprecedented emphasis on becoming more competitive in world markets. We are proud of Canada, and excited about what we can become.

But this topic involves two countries, I intend to make the point that improvements in the relations between our two countries are as much in your interest as in ours....

In 1979, I was the prime minister of Canada who authorized our ambassador, Ken Taylor, to offer sanctuary to six American embassy employees in Iran, and who later issued Canadian passports to help the six escape. Looking back on that incident, I believe the emotional American response to our help was almost more remarkable than the Canadian action itself. To Canada, it was an automatic act of friendship. To you it seemed a sharp surprise that someone else would take risks to help the United States. That dramatized for me the degree to which your great and generous country can come to believe you are alone in pursuing purposes which you think are significant. As the foreign minister of one of the world's respected middle powers, I think it is important that you should not feel isolated or alone, and important also that you should neither be surprised by Canada's friendship, nor take it for granted.

You have a lot to distract you — a buoyant dollar and all its consequences, and challenges abroad in every field, from arms control to famine. Yet in the face of all that competition, your Administration is giving deliberate priority to the United States' relations with Canada. The first major review of Canada-US relations in over ten years has been undertaken by your State Department.

In less than a month, on St. Patrick's Day, your president and my prime minister are meeting in the historic old capital of Quebec City, to advance and to symbolize the relations between our two countries — countries which, as well as being neighbours, are the best friend each other has. The last meeting of a president and a prime minister on that site was in 1944, and the British prime minister, Sir Winston Churchill, was also there. That was a meeting of the leaders of the three countries whose quite uncommon resolve assured victory against the axis powers. This new meeting in Quebec has its own significance, because it comes at a time when my country is expressing a new self-confidence, and when yours is showing that it knows that a superpower needs friends as well as allies.



The two governments have decided to make these summit meetings an annual affair, so that, at least once a year, the president and the prime minister will meet to discuss directly the progress in relations between our two quite different countries.

But I want that mutual interest to go beyond governments and become a more permanent part of the understanding of the people of our two countries. That is unavoidable in Canada, where we are always aware of your presence. But Californians are perhaps not as aware of the importance of Canada to the United States and I want to review, very briefly, that Canadian contribution to your strength and prosperity.

We are your most important trading partner, surpassing by a rather wide margin your trade with Japan. In 1984, our two-way trade exceeded \$105 billion (US). Whether that is expressed in your dollars or in ours, it represents a tremendous volume of trade. It amounted to more, last year, than your total trade with the entire European Economic Community. What is most significant is that, in addition to being one another's largest market, we are also one another's fastest growing market.

These facts directly affect California. Let me mention just the question of Canadian military procurement. Approximately half of our \$3-billion purchase of *CF-18* interceptor aircraft went to the Northrop Corporation here. Our long-range patrol aircraft — the model you know as the *P-3* — were supplied by Lockheed Company of Southern California in a billion-dollar program that has become a model of co-operation between Canada and the US industry. Hughes Aircraft supplies the radars for the *CF-18* and has been a partner with Canadian companies on a number of communications satellites both in Canada and other countries.

The volume of trade between Canada and California alone is immense. In 1983, it exceeded \$5.5 billion (US), which is large enough to make California Canada's third largest trading partner (after the United States in total and Japan). We are, of course, your state's second largest trading partner.

The Canada-California commercial relationship is in many ways a model. The two-way trade remains almost in balance in terms of commodity shipments, although when services, tourism and other invisibles are included, I expect that it would be somewhat in California's favour. Further, the type of commodities traded between us includes a wide variety of both primary and manufactured goods.

California's major exports to us are, in order of importance, computers, fruits and vegetables, telecommunications equipment and aircraft and parts, followed by a wide variety of other basic and high technology items. On the other side of the coin, although almost 40 per cent of our sales to you are in natural gas, the rest cover a wide mix of products such as pulp and paper, aircraft and parts, precious metals, lumber, petroleum, communications equipment, and motor vehicles.

Canada was one of the founders of NATO — the North Atlantic Treaty Organization. We are one of the few NATO countries which maintains forces outside our borders on a permanent basis, and our new government is committed to strengthening the effectiveness of Canada's contribution to collective defence. In our North, which is a potential route of attack by the Soviets on North America, we are



negotiating a new North Warning System, which will increase the security of both our countries by improving the radar warning system that is key to deterrence.

In cultural terms, your ingenuity and volume have created fears that US culture will dominate Canadian culture. As you know in Los Angeles, that is a two-way street. Three of Hollywood's illustrious major studios — Warner Brothers, United Artists and MGM — were founded or co-founded by Canadians, Jack Warner, Mary Pickford, and Louis B. Meyer. Ivan Reitman has made a career of top comedies, the latest being *Ghost Busters*. Canada has been intimately involved in the technical aspects of the film industry; one Canadian company has developed the now popular IMAX and another has developed a computerized colouring process capable of turning black and white films into colour.

So in commerce, in culture, in defence, in values, we have these interests together.

There is nothing new about that. What is new is the view of my government that Canada has become significantly more confident in itself over the past decade, and that it is time to demonstrate that self-confidence in our relations with the United States. We have begun that process.

A former government, fearful of US investment, introduced the Foreign Investment Review Agency (FIRA), whose bureaucratic nature became an obstacle to investment and jobs in Canada. That agency, and that attitude, are being replaced with a new structure called Investment Canada. While it will maintain some reviews in sensitive areas, it will have a new, positive mandate to encourage and facilitate investment. It sends the signal that Canada is open for business, including US investment to create Canadian jobs and growth.

In defence, a former government had not concluded negotiations on the North Warning System. And some of its former ministers urged me in committee last week to continue to delay those negotiations, even though delay weakens our ability to know what is happening in our North. The new government is proceeding with the negotiations. We consider it to be a positive assertion of Canadian sovereignty to protect ourselves in our territory, and an expression of deeply held Canadian values to join with you in a system that helps to deter Soviet aggression.

In trade, we have launched a public debate in Canada about trading relations on this continent and in the world. Canada is almost three times as dependent on international trade as the United States and twice as dependent as Japan. We are concerned about pressures to the open trading system, and so are examining all avenues to secure and enhance Canadian trade.

On most of these matters Canada and the United States are in broad agreement. On some questions, which are vital to Canada, we do not yet agree.

One of these questions is the impact and urgency of acid rain. That has been seen traditionally as an environmental question, which is important enough in itself. Our government believes it is also an economic and political question, because lakes and livelihoods and industries — like our lumber and pulpwood industries — are being destroyed. The problem is serious in Canada and in parts of the US,

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and it can only be solved by concerted joint action between our two countries. Our new government in Canada is moving now — on our side of the border — to put in place a major abatement program involving all levels of Canadian government and the Canadian private sector.

Los Angelenos are more than sensitive to the problems of atmospheric pollution, including acid rain and acid fog. I am told that there are lakes in California, in the High Sierra Mountains, which are presently being impacted by acid rain. I venture to hope, therefore, that there will be a certain amount of understanding from California of our desire in Canada to see steps taken as quickly as possible to stop ongoing damage to our country.

Not long ago, our two countries faced a similar problem with pollution in the Great Lakes, and we worked together to improve significantly the quality of water in the Great Lakes systems. We hope to make similar progress on acid rain.

Other differences will arise between our countries — whether over protectionism, over gas, or electricity, or the unitary tax. In my first official meeting with George Shultz, I told him Canada would adopt the formula proposed by former President Gerald Ford, who said “we can disagree without being disagreeable”.

For Canada’s part, that is easier now than ever — not because the issues are simpler, which they demonstrably are not, but because Canada is able to deal with the US more like an equal. You are a little bigger than us in population, and we are a little bigger than you in geography, but Canadians are now beginning to reflect a more mature confidence in our society. That self-confidence has always been an elemental strength of the US, and because you were so sure of yourselves, and we shared so many similarities, it was difficult for Canadians to stand on our own terms.

It is easier now — easier because *les Grands Ballets Canadiens*, the National Ballet of Canada, the Stratford Festival and the symphony orchestras of Montreal and Toronto, Margaret Atwood and Anne Murray and the Academy Award winning National Film Board and *tous les artistes internationaux du Quebec*, and countless other Canadians of accomplishment, have demonstrated Canadian excellence to the world. Easier because Canadian exporters and entrepreneurs have shown their ingenuity in high technology telecommunication satellites, computer software, fibre optics, urban transportation, power generating equipment, and other fields. Easier because, last summer at the magnificent Summer Olympics staged in your city, our athletes stood tall on the podium, in cycling, swimming, pistol shooting, canoeing, rowing, boxing, and diving, to mention a few.

Easier because, out of the internal discord within the Canadian family in the past several years, there has emerged a new sense of confidence and equality in Quebec, and in Western Canada, the two communities which had felt most estranged and stifled before. We have just concluded a most successful meeting of Canada’s prime minister and premiers — it was held in Regina, in Western Canada. Last fall, when Mr. Mulroney visited Quebec City, the flag of Canada flew over the National Assembly of that province for the first time since the election of the *Parti Québécois* government in 1976.

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New controversies will arise, or old ones renew, but we are a stronger people now, able to stand easily as equals on this continent, and in the world. That is the spirit in which we seek to renew and expand our relations with the United States of America.

Several specific challenges await us. The meeting in Quebec City next month will set an important tone. Negotiations on trade relations will be critical to our future. Opportunities to work together will be important — whether in the private sector, or in public ventures.

Let me refer to one particular public venture. Next year, Vancouver, will be host to Expo 86, which has as its theme transportation and communication. Between 40 and 45 countries, including many on the Pacific Rim, will participate. Of the 13 million anticipated visitors, we estimate that 40 per cent will come from the West Coast of the USA. I am encouraged by recent developments concerning the possible participation of California at Expo 86. Given this state's significant role on the Pacific Rim, your outstanding contributions to the transportation and communications sectors, and your many links to Canada, I sincerely hope that there will be a separate and distinctive California pavillon at Expo 86. That would be a good way to demonstrate, on the West Coast of our continent, that spirit of partnership which your president and our prime minister will express on St. Patrick's Day in Quebec City.

The election of September 4 in Canada did more than elect a new government. It expressed a clear desire to change attitudes that many Canadians had found unsatisfactory. The new government campaigned prominently on undertakings to improve relations with the United States, and to strengthen our own economic performance.

We won a massive — and a genuinely national — victory, with equally intense support in our largest cities, and the most remote villages of the Arctic. Part of our opportunity is to act as a government for all of Canada, expressing our Canadian identity in action, by moving the whole nation forward together. Part of our responsibility is to create conditions for permanent jobs and growth. We are a distinctive, sovereign nation, with characteristics and resources no other nation can claim. But we are also part of a very good neighbourhood, your closest neighbour, your best friend. We have a lot to do together in the next four years.







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## THE UNITED NATIONS A FIRST-RATE ORGANIZATION

Speech by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations, to the National Convention of the United Nations Association of the United States of America, New York, April 29, 1985.

...The fortieth anniversary, as everyone knows, is a time for stocktaking. I like the United Nations. I've only been around this lovely and byzantine organization for about seven months but I quite like it. I'm a shameless apologist. I think it's a first-rate international institution and I don't much care for the gratuitous detractors. To be sure, all of us understand there are problems, there are imperfections, there are deficiencies in the United Nations system. I've often asked myself, as I view it in a novice's way, could it be otherwise after 40 years? Do you know of any human agglomeration which is unsullied after 40 years of evolution?

The litany of deficiency is as well-known to you as it is well-known to the protagonists here at the head table. We're often worried by the capacity of the superpowers — indeed, all of the permanent members of the Security Council — to thumb their noses with impunity at decisions which are taken in the United Nations. That happens from time to time in a way which is disconcerting, unnerving, occasionally frustrating. We know, all of us, of the proliferation of nation-states, and the way this has engendered within the arena of the General Assembly an excess of rhetorical spleen; some aggressive posturing; occasional extremist attacks. It bothers some more than others....

All of us are bothered by the truth that some problems seem endlessly intractable. We haven't got peace and disarmament; we haven't solved the problems of the Middle East; we can't seem to handle Namibia and South Africa. That is the crisis of credibility which some so often relate. And on top of all of that, there is the sense of incremental change. The detractors would describe it as a kind of immobility that leads to inertia, compounded by evidence of mismanagement.

When you set out that litany it is, I admit, a little unnerving. But without being disrespectful I'm inclined to say so what? Sure it's frustrating, sure it's difficult, all of us have to cope with these truths, all of us have to understand their nature. But it doesn't for a moment — this is what is so important, and it is inconceivable to me that people don't understand it — it doesn't for a moment invalidate the tremendous contribution which the United Nations makes; it doesn't for a moment render us impotent; it doesn't for a moment diminish the value of working to reinforce the strengths of the United Nations.

Now, in a way which bespeaks a certain innocence, I sometimes wonder about the perceptions and motives of various of the detractors.

For some, it seems to me, the expectations have been extravagant: the achievement of peace and the rule of law, as indicated in your ceremonial this afternoon, is not ushered in over 40 years. Forty years

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is a whisper in the passage of time, all of us understand that. We haven't had a nuclear war, we haven't had an atomic conflict in 40 years and part of that is attributable to the United Nations. Is that not an object worthy of celebration?

For others who are critics of the United Nations, the principle of sovereignty is not understood. Sovereignty is rooted in the Charter of the United Nations. It is not possible for the United Nations to impose its will on a number of sovereign states. You can't just say to Ethiopia — as much as some would wish it — that the government has to have a ceasefire; has to recognize the rebels; has to open supply lines to Eritrea and Tigre. You can't just say to Iran and Iraq: we determine that you end your beserk war; we insist that you bring yourselves to heel before this organization.

It isn't the institution of the United Nations, the body corporate, which is the problem. It is the behaviour of individual nation-states which is the problem. And it is a profound misunderstanding of the United Nations and the way it operates not to recognize that simple truth. There is no capacity under the Charter to interfere in the internal affairs of member countries. Those are difficult and aggravating complexities. They are also complexities which allow the place to work.

And then there are other critics...who still are quite simply malevolent and they do great damage. They pretend to be dispassionate, analytic, concerned. Poppy-cock. Folderol. They are, by and large, neo-isolationists in their views of the world, and they are made up of the Heritage Foundation and others of their ilk.

I want you, if you will, to forgive this moment of disrespect — I am a guest in your country — but I want to say to you, because it has distressed me, that the Heritage Foundation and those of its supporters, specialize not in insightful analysis, for heaven's sake, but in inspired sophistry. They are fundamentally anti-internationalist. They do not believe that the national interests of the United States should ever be subsumed in the interests of the greater international community. And I want to say to you that that makes me impatient. Groups of people who do not understand the moral and human imperatives of the international community in 1985 demonstrate a philistinism for which none of us should have any time.

Yet it does great damage; I have to admit that. And although it saddens me to say so, people of such views within this country and other countries — in particular, the Heritage Foundation — engage in easy slanders of the Secretariat for which the Secretary-General is hard-pressed to respond; they put Third World countries on the defensive; they provoke many Americans into needless opposition. So they need to be dealt with in precisely the fashion which was put to you: not as an obsession, not as an *idée fixe*, not as a preoccupation, but as a group which wields influence and therefore has to be responded to. I'm engaged in the self-immolating chore of reading tract after tract, monograph after monograph, article after article disgorged by the Heritage Foundation. Before long, I hope it will be possible thoughtfully to document the flaws, the weaknesses, the generalizations, the partial truths, the factual errors in what will amount to a dossier of indictment. In other words, in a rational, persuasive and thoughtful way, to fight back in the defence of the United Nations. Indeed, I hope that we can mount a coterie of ambassadors at the United Nations, champions of the United Nations, and gradually, over time, take



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our message right across the United States of America. We must say strongly and fervently and unapologetically that this is an institutional forum which deserves the celebration of humankind, not witless and gratuitous criticism.

In any event, that said, I think we should move to the strengths. This afternoon's ceremony drove it home for all of you. I don't want to go into it in great detail because there isn't all that much time for embellishment; but when you are summoning the arguments in defence of the United Nations, let's not retreat into the old dialectic.

Think for a moment — number one if you will — of the specialized agencies. I've often thought to myself, as surely you have, that the United Nations Children's Fund (UNICEF) almost single-handedly legitimizes the nature and character of the United Nations. Just reflect on it for a moment. Four hundred thousand youngsters under the age of five saved every year by UNICEF. Saved from death every year by UNICEF. When I stood in a refugee camp five or six weeks ago in the Sudan, right on the border with Ethiopia, to which 80 000 Tigreans had made a migration desperately seeking survival... when I stood in that camp and chatted with the doctors from *Médecins sans Frontières*, and asked them how it was possible to keep children alive in circumstances of such eviscerating desolation, they said to me that "part of the reason is that we have these little packets of oral rehydration therapy to distribute — 15 000 of them a day — and in that way, Mr. Lewis, we keep hundreds of children alive". Now it is important for the world to be reminded over and over again, with unself-conscious vigour, that you'd never have that outcome without the United Nations. That's the kind of thing which the world body achieves.

More still, you have the United Nations Development Program which spends \$675 to 700 million (US) each year, turning such amounts into further billions of dollars of projects which speak to the economic long-term viability of the countries whose present economies verge on catastrophe because of the African famine. Beyond that, you have the United Nations High Commission on Refugees (UNHCR), which day in and day out saves tens of thousands of people, and provides shelter and vaguely civilized environments, whether in Pakistan or in the Middle East or in the Sudan. One could set out — as you know as well as I — specialized agency after specialized agency doing ennobling work; indeed — dare I say it — including the United National Educational, Scientific and Cultural Organization (UNESCO). Therefore it's important when summoning the arguments in defence of the United Nations not to forget the specialized agencies.

Nor — number two — is it possible to forget the kind of very special political environment which is created within the United Nations, despite all of its difficulties. Throw your minds back, if you will, to the fall of 1984, recall with me that the world had not been at the negotiating table in Geneva for more than a year; that everybody felt we were perched on the precipice looking into some cataclysm of human destruction; and that the superpowers weren't talking. Lo and behold Andrei Gromyko comes to the General Assembly and makes a speech within which there is a hint that perhaps the bargaining process can be reinstituted; and Ronald Reagan comes to the General Assembly — third year in a row, unprecedented in the history of presidential contributions since 1945 — and makes a speech within which there is a kernel of hope about reinstituting the negotiations, and a few months later

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those negotiations are consummated again in Geneva. I say to you what I think is palpably true: that could not have happened without the existence of an international agency through which ideological opposites can speak to each other, however obliquely. That is one of the great values of the United Nations.

And so to point number three: the question of some of the intransigent issues which seem to be so frustrating when we deal with them. Let me look at the most difficult of all, arms control and disarmament. Let me remind you, if I may, of the First Committee in the United Nations. Time and again, year after year, in what some would call a suffocating process — I would call a liberating intelligence — we deal with resolutions on a comprehensive test ban, on the prohibition of the use of chemical weapons, on the non-proliferation treaty, on the nuclear freeze, on nuclear winter, on a ban on fissionable materials, on the reduction of conventional arms — all of these resolutions, one after the other, addressed with vigour and passion and fervour by the countries involved. Yet, say the critics: you never achieve anything — resolution after resolution is passed and then not embraced by the superpowers. But the fact of the matter is that such a view of the process is both trivial and distorted, because whether it is in the First Committee in the fall, or whether it's in the Conference on Disarmament in Geneva, or whether it's in the United Nations Disarmament Commission in May here in New York, we keep the pressure on the superpowers. They have to vote, they have to take a stand, they have to meet and speak to every single one of those resolutions — it's absolutely inescapable — and that in itself, in a very important, if unacknowledged, way helps to maintain a glimmer of sanity in an otherwise lunatic environment. One should therefore applaud and recognize the value of those arms forums, even though we recognize as well that the ultimate decision will be made in Geneva.

Point number four: let me remind you of the emerging role of the Secretary-General. I think it's important to note what Edward Luck said: this is a new kind of Secretary-General; a man who is redefining the office in the contemporary world. We haven't seen his like since Dag Hammarskjöld. And that's a terribly important thing to understand.

I had the pleasure of accompanying Pérez de Cuéllar on a three-day state visit to Canada in early March. He's an immensely impressive and formidable advocate one on one and in small groups. I observed him talking with my Prime Minister, with my Minister of External Affairs, with a number of senior public servants, and every time he met them in argument he did not retreat. He engages in an advocacy which is quite unrelenting and effective.

What it has done for Pérez de Cuéllar and the United Nations, I think, is to have created a sense of interventionist diplomacy on the one hand, and preventive diplomacy on the other, both of which are giving a new *raison d'être* to the United Nations system. It doesn't always work, of course. What in this world does? But I remind you that when Pérez de Cuéllar wanders off to Southeast Asia to try to deal with Kampuchea; when he deals with the Soviet Union and Pakistan over Afghanistan; when he makes visits to Iran and Iraq; when he deals with the parties in Cyprus; when he moves heaven and earth to sustain the Contadora process in Central America, what Pérez de Cuéllar is doing is bringing the force of his office under Section 99 of the Charter to bear in a way which is ultimately helpful and civilizing.

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What did Governor Cuomo say this afternoon: "The world is still talking; still striving?" That's precisely what Pérez de Cuéllar is reinforcing in his endless peripatetic wanderings around the planet. It is of immense value. Occasionally, it allows for a cessation of bombing civilian populations in a war like Iran/Iraq. Sometimes it may even result in reconciliation in a place like Cyprus — perhaps in the next year or two — that would be an enormous achievement for the United Nations. Sometimes it brings parties back to a discussion together which they would not otherwise contemplate. Always it prevents, to some extent, a mere fire from becoming a conflagration.

In the context of the United Nations, of the international community, all of that is immensely important: just keeping nations talking. Winning trust, as Pérez de Cuéllar does, is of immense significance. Pérez de Cuéllar is trusted by everyone. One of your potential new members of the executive board (Ambassador Jeane Kirkpatrick) trusted Pérez de Cuéllar, and I sense that her discerning judgments were selective. Mr. Troyanovsky, the Soviet Ambassador, trusts Pérez de Cuéllar; Botha of South Africa trusts Pérez de Cuéllar. Pérez de Cuéllar is a man who — as I said — is giving a new definition to the role of the Secretary-General. That role is not to be lightly impugned or disparaged.

Finally — point five — I remind you of the continuing process, year after year in the General Assembly and in the committees associated with it, where we achieve concrete things. That, too, is a matter to be celebrated and brought to the attention of the American community. Last session of the United Nations — my first session — there was an important resolution on international drug trafficking, which resolution is now on its way to becoming an international convention. There was, after seven years of painful drafting in Geneva, a Convention on Torture; a convention which will permit us, after 20 countries have signed and ratified it, to identify publicly those who continue to engage in the obscenity of torture. And then there was, of course, the extraordinary response to the African famine.

I want to point out that historians may look back 20 or 30 years hence and say that the response of the United Nations to the tragedy of Africa was perhaps its finest hour. Not only has the United Nations managed to galvanize tangible international support in a way that has never been experienced before; but in an equally exemplary fashion, it has put in place, on the ground in the 20 countries involved, the kind of co-ordinating and distributing leadership which is literally saving thousands of lives. I was proud when I was in the Sudan to watch the work of the United Nations personnel in UNICEF and the UN Development Program and UNHCR. It was something to behold — not only the extent of their commitment, but the way in which the United Nations was delivering food directly into the mouths of those who were starving, and doing it with a level of mastery and resolve which speaks to an extraordinary international body. These matters are matters which should convey pride and consequence by all of us who speak fervently for the international body. The fortieth anniversary is a good time to reassert the focus and to deal with the distortions.

The United Nations is simply not as bad as some would have it. Certainly it's polarized in the General Assembly, but not terminally for heaven's sake. The General Assembly remains a forum to which the leaders come. Everyone believes now that Gorbachev will come at the end of September 1985. Do you think that is some kind of incidental inconsequence? It's important that Gorbachev be there, and it is fascinating that he regards the United Nations as an institution sufficiently worthy to address on the fortieth anniversary of its life.

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Certainly there is extremism. I understand that. But as Ed Luck said, there is tangible in the United Nations a new spirit of moderation, particularly from some of the developing countries. All you have to do is look at the document "The Declaration on the African Economic Crisis" to see the extent to which the African countries accommodated the interests of the developed world; the extent to which they sought a *rapprochement*.

I say this to you cautiously — I want no one to take offence — but I think that the supporters of the United Nations — even some in this room — are excessively defensive. It is not necessary to be so defensive. It is not necessary to be dragooned into the arguments of the detractors. The arguments are not terrifically persuasive and they are riddled with self-serving sophistry. It is necessary simply to accumulate the defence and to set it out chapter and verse. Don't be intimidated by those who are critics. Don't succumb to the blandishments of vilifiers. The United Nations is a first-rate organization with the simple deficiencies of time and age and circumstance.

So what do you do in a situation like that? You analyze it, you speak to its strengths, and then you go out and advocate its work.

Perhaps all of this is, in a sense, self-centeredly Canadian. I hope not. It's a little easier for Canada — we're a middle power, quite unthreatening as you can see, utterly non-nuclear, and a particular advantage in being bilingual so that we have special access to the francophone world. We have, above all, a lasting and visceral commitment to multilateralism which is ingrained in, and endemic to the Canadian character.

We share this continent with you, the United States; we are good friends, and we hope that we can in the future share as well Canada's more positive view of the United Nations. I've learned as I travelled over the past number of months that it is not hard to convey a more positive view of the United Nations. There's a yearning everywhere amongst people to affirm the validity of the international community and of an international organization. It's important, I think, to stand resilient and passionate in defence of the United Nations.

The Charter may, here and there, be under siege; but it's still an incomparable blueprint for a more just, civilized, humane and tolerant international community. One day we shall achieve it — infidels of all varieties notwithstanding. And so to this audience: the dreamers, the idealists, the pragmatists, the artisans in the vineyards of human betterment, the indefatigable apostles in the cause of peace — to all of you who are tenacious, and unrelenting, I wish you well. I salute you, and I ask you never to be cowed.





# Statements and Speeches

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## THE SITUATION IN NAMIBIA

Notes for an Address to the Security Council by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations, New York, June 13, 1985.

...As a member of the Contact Group, Canada has been intimately involved in the plans for Namibia's independence. We therefore wish profoundly that the United Nations' efforts to end the conflict and to replace the illegal regime should soon succeed. On that central point there is no room for doubt; our commitment to achieving independence for Namibia under UN auspices is sacrosanct.

Recent events in Namibia and Angola, however, give cause for disillusion verging on despair. We have been discussing the same plan for Namibian independence for the better part of a decade. That is frustrating for all of us. . .for all members of the Council. But any level of frustration which we may endure is as nothing when compared to the plight of the Namibian people and the continued denial of justice which they experience. Such denial is all the more reprehensible when it defies both international law and the international community.

Yet, as if such contemptuous intransigence were not enough, we are now informed that there is to be another interim government in Namibia. Other than wilful provocation, what purpose does that serve?

Canada has already stated its rejection of the so-called interim government which is, we understand, to be inaugurated in the coming days. On April 19 last, the Right Honourable Joe Clark, Secretary of State for External Affairs, made our position clear:

"We regard unilateral measures taken by the South African government in relation to the establishment of constitutional bodies and the transfer of power in Namibia to be null and void. Arrangements that may be established as a result of such measures cannot have any status whatsoever under the UN settlement plan."

As the Secretary-General notes in his report, Canada strongly supported the position he took on this matter. The evasive and dissembling response given by the government of South Africa was entirely inconsistent with the proposal which the five Western governments submitted to this Council on April 10, 1978. So, Seven years later, we are faced yet again with measures which are unacceptable to the international community, which challenge the UN plan, and which cannot conceivably succeed.

But that's only the half of it. While these steps are being taken in Namibia, we receive word that South Africa is withdrawing its forces from Angola — a step which we and this Council have long called for, a step we would warmly welcome, as we would welcome a total South African disengagement from Angola. However, the appearance was masked in duplicity. We now have sad and vivid evidence that

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South Africa still seeks what it will never achieve — the reshaping of the region, unilaterally, through the use of force and without regard for the sovereignty and independence of neighbouring states.

South Africa pleads — as an excuse — the need for security. How can anyone give credence to that? The world knows that the challenge to the South African state does not stem from the situation outside its borders. The seeds of change are sown within.

These are all depressing developments because they offer scant reason to believe that South Africa is close to accepting its neighbours as they are and living in peace with them. Worse, the developments offer scant reason to believe that South Africa is ready to co-operate with us in bringing Namibia to independence through free and fair elections under UN supervision.

We're virtually back to square one; that's where we started this debate, more than seven years ago. This continuing impasse, for almost a decade, is a great tragedy. A peaceful and internationally acceptable settlement in Namibia would be a huge step for Namibians. It would, on the other hand, have no catastrophic effects on South Africa — quite the contrary; South African lives would no longer be lost for no good reason in Namibia and Angola, and the squandered expenses of that protracted and illegitimate conflict would be saved. The sun will still rise and fall on the Orange River. There might even be a smattering of peace in the region.

In the circumstances, it is difficult to see why there has been so much hesitation and delay. Even now, were South Africa to comply, the decision would be welcomed throughout the world.

The Secretary-General, in his report, (particularly in paragraph 31) recounts steps that other governments have taken to meet South Africa's professed concerns. Yet South Africa continues to lay down a condition — the condition of so-called linkage — which has no warrant in international law, which is incompatible with Resolution 435, and which has been rejected by this Council. Perhaps worst of all, that condition, by any objective analysis is totally unnecessary; is a deliberate obstacle; and is the cause of grievous delay.

We know, from the Secretary-General's report, that talks have been held and assurances given which go beyond anything required by international law. To hold Namibia hostage to what this Council has previously described as "irrelevant and extraneous issues" is palpably outrageous.

Back on October 25, 1983, the previous Canadian Ambassador to the United Nations was equally unequivocal. He said before this Council:

"The Secretary-General has noted that South Africa continues to make the withdrawal of Cuban forces from Angola a condition for its withdrawal from Namibia. South Africa cannot legitimize its illegal occupation of Namibia by raising other issues. . . Namibia should have its independence regardless of what happens or what does not happen in Angola." As they say, *plus ça change* . . .

One must not forget the negotiations on Namibia itself. It is worth recalling just how broad and complete are the agreements which have been reached on the implementation of Resolution 435.

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In 1982, after intensive consultations among the parties, involving both the Front Line States and the Contact Group, the participants were able to report to the Secretary-General that agreement had been reached on virtually all of the outstanding issues which had apparently stood in the way of the implementation of Resolution 435. The parties accepted a set of principles concerning the constituent assembly and the constitution for an independent Namibia. Understandings were reached on the question of impartiality, and on the size, composition and deployment of UNTAG [UN Transition Assistance Group].

The Secretary-General himself then resolved certain points, still outstanding, during his visit to the region in 1983. South Africa gave assurances that the choice of electoral system, whether proportional representation or constituency-based, would be made and communicated at an early stage.

So what remains? South Africa's concerns regarding the transition process having been accommodated, we should now, in theory, look to Resolution 435 not as an obstacle to be overcome, but as an opportunity to be seized; in theory, South Africa, SWAPO, [the South West African People's Organization], the internal parties, as well as the Contact Group and the Front Line States, should now be joining hands to bring Namibia to independence through the UN plan. But the theory, alas, is shredded by the practice. All the requisite understandings are in place, but nothing happens. When is 435 to be applied?

Some have implied that part of the responsibility for the current impasse lies at the feet of the Contact Group. That suggestion is unwarranted. The members of this Council know full well that Canada's reason for belonging to the Contact Group has been to facilitate Namibia's independence in accordance with the UN Plan. That's the way it began. That is the basis on which some excellent work was done.

That does not mean, however, that we're blind to the delays of the last two years. We're not. The Contact Group, with the best will in the world, has not succeeded, any more than others, in bringing independence to Namibia. It is necessary to admit that, openly, and with candour. Nonetheless, the Contact Group should not disband, because it still has a role to play, one day, under Resolution 435.

Having said that, Canada admits that it's very difficult to know how to proceed. We shall have to look to other steps that member states might take — steps which demonstrate that patience is long-gone, and that the time to move strongly is now.

We should perhaps consider reaffirming and re-endorsing the voluntary measures as set out in Security Council Resolution 283 of 1970. Member states may wish to examine what they have done to conform with its provisions. The provisions were strong. Such measures merit further response as we await the setting of a date for the implementation of Resolution 435.

We will, of course, want to confirm again our readiness to lend assistance — both human and financial — to an independent Namibia. Perhaps the Council will want to address that point.

Above all, we should encourage, yet again, the vigorous participation of the Secretary-General in seeking



co-operation from South Africa to establish a timetable for independence. The future of Namibia is a fundamental issue for the United Nations. Its right to independence derives from the very principles on which the UN was founded. The Secretary-General has shown himself to be on this, as on all matters, indefatigable. Let the Council renew the mandate previously entrusted to him, with the added sense that he pursue the attainment of Resolution 435 in a fashion unrelenting. And let us call on South Africa, with quintessential clarity, to live up to its obligations under the Charter.

Those are just some of the considerations which make this debate so important. Our options are narrowing. I have already indicated — as has everyone else — that there is no basis for delay, and that further delay serves no one's interest. Yet unconscionable delay is precisely what we're faced with, and that's why Canada and others will have to consider our range of choices carefully.

Several times in this debate, speakers have referred to the fortieth anniversary year. That leads me to one final observation. I think everyone agrees that nothing would so serve the reputation of the United Nations as a significant breakthrough on some significant aspect of peace and security. It could, with dramatic impact, turn public perceptions around.

The independence of Namibia is the logical focus. It is the issue on which there is virtual international unanimity. Just as the system of *apartheid* has only one defender, so freedom for Namibia has only one obstacle. The prevarications of the last seven years, the contempt for UN resolutions, the perpetual state of strife, the introduction of yet another illegal interim government, the recent revelations in Angola, and above all, the prolonged suffering and oppression of the Namibian people, must surely win from this Council a resolution on which we can all agree, and which will lead to that elusive breakthrough.

The timing could not be better. There is a rising crescendo of impatience with South Africa throughout the world — mirrored in the speeches at this Council table; signalled — as in Canada and other countries — by reviews of government policy; reflected most recently by the votes in the American Congress.

The Security Council is, thus, presented with an opportunity to demonstrate that the nations of the world stand united in condemning the continued illegal occupation of Namibia — and stand united in urging South Africa to proceed immediately with implementation of Resolution 435. We hope that the resolution which this Council adopts will re-enforce such a consensus. It will then represent the most unmistakable, uncompromising, and unambiguous message delivered to date.





# Statements and Speeches

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No. 85/4

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## TOWARDS THE PREVENTION OF AVIATION TERRORISM

Notes for an Address by the Honourable Donald F. Mazankowski, Minister of Transport, to the International Civil Aviation Organization, Montreal, June 27, 1985.

We are here today for many of the reasons that led to the creation of the International Civil Aviation Organization (ICAO) almost 41 years ago.

The importance of civil aviation to the peace of the world was recognized by ICAO's founders when they wrote these words in the preamble to the Chicago Convention: "Whereas the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world, *yet its abuse can become a threat to the general security.*"

That abuse is with us today. Canadians are mourning the loss of 329 passengers and crew — most of them Canadian — in the apparent explosion of Air India flight 182 from Toronto and Montreal last Sunday. We grieve for the Japanese citizens who also lost their lives or were injured that same day when a bomb from the luggage of CP Air flight 003 exploded at Narita International Airport. Nor can we forget the recent tragedy at Frankfurt. We add our prayers to those of all nations that the current hostage crisis in Beirut will be resolved without further loss of life.

Canada has always strongly condemned the scourge of terrorists and their activities. As my prime minister said earlier this week: "Terrorism is the tragedy of our times. It is the most cowardly and reprehensible act known to man where innocent people are held hostage around the world and are killed or maimed, simply in the name of international terrorism."

In the days since the Air India and CP Air tragedies, many ICAO and international aviation experts have said that the security measures at Canadian airports are among the best in the world. These are heartening words. But they do not erase the fact that these disasters have claimed 331 lives. The government of Canada has imposed even more stringent security measures since these events.

The prime minister has ordered our Security and Intelligence Committee to examine all aspects of airport and airline security. This committee will report in the shortest possible time on what changes should be made to our security systems to minimize the possibility of such horrible recurrences in the future. Our government will share these findings and recommendations with the international aviation security community through ICAO.

As an immediate measure, we have enhanced security precautions at our airports, providing additional screening measures for passengers and baggage as well as a 24-hour quarantine on non-perishable cargo. To improve our screening capability in the future, we have already ordered 20 more X-ray machines

to help detect bombs in baggage. We will be adding to this as soon as we determine our further requirements.

But whatever measures Canada takes, our national civil aviation security depends ultimately on co-operative, co-ordinated and concerted international action.

Until now, Canadians have enjoyed a civil aviation system relatively free from the plague of terrorists and their activities. Part of the shock of these tragic events has been the thought: "Why here? Why Canada?" The fact that terrorists have chosen to strike in one of the most non-violent countries in the world underscores how vulnerable every country is. We share a common problem.

As the Secretary-General of the United Nations reminded us yesterday in a speech in San Francisco commemorating the signing of the UN Charter in 1945: "It is tragically evident that new multilaterally co-ordinated efforts are urgently required to deal with the terrible phenomenon of terrorism."

We cannot protect ourselves from the rot of terrorism, we cannot build an enduring solution, unless we build a common solution. ICAO is a major forum for building this solution.

Today, I would like to offer a number of proposals to ICAO, the purpose of these being the enhancement of aviation security.

(1) I propose that ICAO undertake an urgent review of its established aviation security standards and recommended practices. This review should consider what improvements could be made, whether some measures which are currently listed as recommended practices should be elevated to the status of standards, and whether new standards or recommended practices are needed.

(2) I propose that ICAO expand its program of monitoring the implementation of security measures in airports around the world, in co-operation with the governments concerned. For each airport studied, it should report its findings and recommend any improvements that may be required.

(3) We should consider establishing, as part of ICAO, a group of civil aviation security experts to investigate, upon request, serious breaches of security. The purpose of these investigations would be to determine the facts of an incident so that necessary measures can be developed and implemented world-wide to prevent similar breaches in the future.

(4) I propose that ICAO develop a model clause on security that could be used in the bilateral air agreements that govern the exchange of air traffic rights between countries.

(5) The chain of civil aviation security is only as strong as its weakest link. However, some ICAO member states may not have the means to achieve sufficiently high standards of security. Through ICAO, the international civil aviation community should be prepared to offer assistance to strengthen security measures. Existing bilateral and multilateral programs could be the mechanisms for providing needed

equipment, financing or technical advice. I have already begun discussions with my Cabinet colleagues to take positive action in this regard.

(6) ICAO should consider how best to encourage all its member states to ratify the Tokyo, the Hague and Montreal Conventions for the suppression of unlawful acts against civil aviation. It should also consider means to assure the most stringent application of these conventions by its members.

(7) I urge ICAO, in considering all these proposals, to ensure its consultations include the professional associations whose members have expertise in civil aviation security. For example, the members of the Canadian Airline Pilots Association and the International Federation of Airline Pilots Associations have literally a life-and-death stake in the advancement of civil aviation security. Their expertise must be actively sought out.

In addition to these proposals, there are a number of initiatives which Canada will undertake without delay. I have already mentioned the review now under way by our Security and Intelligence Committee on all aspects of our airport and airline security.

Consistent with the practice of most ICAO countries, Canada has established broad parameters outlining security measures to be adopted by air carriers. The carriers are granted flexibility to meet these standards using a variety of methods that best suit their individual operations.

Our government will be considering the need for more defined security standards — including, for example, training levels required for all aviation personnel. We will consider monitoring more closely the method of implementation which air carriers use to meet security standards. We will also consider offering more direct guidance to air carriers in order to ensure compliance with defined security standards.

Canada has excellent established practices to ensure the airworthiness of aircraft. These have recently been reviewed and assessed by Mr. Justice Charles Dubin. It is time to examine whether a similar, thorough approach should be applied to aviation security, in particular the screening and training of all civil aviation personnel. I am reviewing this aspect of aviation security with my departmental officials.

A critical aspect of this review will include measures to prevent unauthorized access to any commercial aircraft from the tarmac, runway and bridge areas of airports.

We intend to focus considerable attention on improvements to the security of baggage handling. The current system was developed in peaceful times. It has served us well. But we are now faced with the need to develop new measures because of the varied and volatile dangers of terrorism.

We will be assessing more advanced technology to permit airlines to quickly identify — before take-off — all baggage checked by any passenger who does not board the flight. This situation appears to have occurred on CP Air flight 003 to Tokyo. Air carriers must be able to locate and remove such baggage before the flight is allowed to proceed.



Two other critical areas will be examined by Canada.

The first is the development of on-board detection devices that would permit aircraft crew to detect any foreign devices which a passenger has managed to bring aboard even after the airport security check.

The second is the development of a "last point detection system" for checked baggage. Often, between the time a passenger checks in baggage and it is boarded on the plane, the baggage travels a considerable distance and is handled by many persons. This presents an opportunity to tamper with the baggage, and from a security point of view creates substantial risks.

A "last point detection system" would permit a final security check of baggage at the moment the baggage passes into an aircraft's fuselage. Possibly, detection devices could be mounted to scan the baggage containers loaded onto jumbo planes. Possibly, they could also be fitted to the conveyor belts that serve smaller aircraft. Such a "last point detection system" also addresses the security problems that arise concerning baggage transferred to connecting flights.

In addition, Canada will investigate the technology required to better preserve and retrieve cockpit voice recorders and flight data recorders. We are greatly concerned that such vital pieces of equipment are often never retrieved.

Have we come to the point where we are forced to reassess, in order to preserve and protect the safety of the travelling public, whether airline services should be continued to destinations where an adequate level of security is not maintained?

I invite this body and its member states to seriously consider this question.

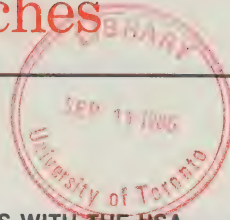
Canada and ICAO can be proud of the advances that have been made in civil aviation. However, there are improvements we can and must make to safeguard the security of our citizens from terrorists. This is the debt we all owe to the innocent victims of terrorism. This is how we can honour the loss of their lives.





# Statements and Speeches

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## ORGANIZATION AND MANAGEMENT OF CANADA'S RELATIONS WITH THE USA

Notes for an Address by the Honourable Joe Clark, Secretary of State for External Affairs, to the Institute for Research on Public Policy, Ottawa, March 24, 1985.

It is unusual for us in Canada to have occasions when our academics participate in gatherings such as this and share their views with government officials on the shape and nature official policies might take in the future. I know that this is a normal activity in the United States, so much that it is difficult, at times, for outsiders to appreciate where government ends and where academe begins. I would hope that we in Canada could have a little more of that particular American practice.

In organizing conferences such as this, the Institute is making an important contribution to the quality of debate on public policy in Canada. In democratic societies there can be no higher goal than that of encouraging participation in both the political system and in policy formulation. In Canada, we have a different problem than in the United States; there, the participation in the electoral system is unusually low. The participation of all segments of society in the policy formulation process, however, is unusually high.

In Canada we have the opposite. Electoral participation is high while policy formulation tends to operate on a much more restricted basis. During the last election, one of our important promises was to broaden the consultative process. We believe that a serious source of disunity in Canada has been the sense that whole regions, cultures and economic communities, such as labour unions, have felt themselves excluded from any genuine influence on public policy. The sense of exclusion of nationalist Quebecers from centralist Ottawa is well known. In my own region, the lasting damage of the National Energy Program was not in its measures, which can be changed, but in the dramatic proof it offered that the West could not influence national policy vital to its interests. As a new and national government, we want to ensure that Canadians who felt alienated from the political process — regionally, culturally, economically, or as individuals — are given every opportunity to participate fully.

Since last September, the new Government has devoted a lot of energy to this purpose. We have entered into discussions with the regions of Canada who had felt excluded from the national process. Our policy of participation in the decision-making process has led to reconciliation and the settling of old problems.

Our working papers have been prepared to deal with different areas of government policy. In these papers, there is a framework for certain questions and options around which public debate can be centred. These papers, as well as the comments of Canadians, will be the major elements that will guide our policy in international relations, defence, immigration, health and welfare, employment, commerce, economic development and energy.

In foreign policy, I will be publishing a Green Paper which will focus upon the real interdependency

of foreign and economic policy. The paper will, of course, deal fully with the more traditional concentrations of Canadian foreign policy: our commitment to arms control, to international organizations and our leadership in international development. But there will be an emphasis on Canada's ability to compete which is both untraditional and inescapable.

Some critics suggest that the Government is overdoing the consultative process. You may remember the death-bed scene of Gertrude Stein: her faithful companion, Alice B. Toklas, hovered over the alert Miss Stein and, ever hopeful of one last piece of advice asked, "Gertrude, Gertrude, what is the answer?" Miss Stein, with one last twinkle in her closing eyes, responded, "Alice, Alice, what is the question?"

I believe that we know the questions. The answers may be another matter.

One area where we are bringing in a new style and searching for new answers is the organization and management of our relations with the United States. That is a subject on which Canadians are schizophrenic.

On one level, our two countries are closely integrated. We share the most intensive and extensive trading relationship in the world; we are avid partners in marching to the fads and fashions that emanate from New York, California and, now, Toronto; television programs and movies are as likely to be produced in Montreal and Alberta as they are in Hollywood; the same books and other vehicles of creativity and excellence sell as well in Vancouver and St. John's as they do in Dallas and Minneapolis; and in medical transplants, the donors and recipients are as likely to come from opposite sides of the 49th parallel as they are from within the same country.

In one sense, we are all more North American than we are either American or Canadian. Many of the forces that make countries and peoples unique operate on a continental basis in North America. I believe most Canadians and Americans accept that and have little difficulty in dealing with the consequences.

There is, however, one significant caveat. Canadians appreciate the unique and distinctive life that we have created for ourselves on the top half of North America. We do not and will not accept policies and programs that alter the fundamental nature of the Canadian community. Most of the serious continuing problems in managing the relationship between Canada and the United States can be traced to that issue.

Most Canadians, in most cases, are pleased to take advantage of the very good neighbourhood we share with the United States. A whole series of bargains have been struck, and will continue to be. As long as these are seen to offer no profound damage to the distinctive Canadian community, they will find firm support. But that is a moving line and the challenge for a new government is to understand and define where the continent ends and the country begins. That this challenge is becoming more difficult is a mark of maturity, not frailty.

Canadians today are different from what we were 30, 20 or even 10 years ago. There is abroad in

the country a marked confidence in who we are and where we are going. As *MacLean's* magazine put it earlier this year in summing up a national poll: "Treading water is no longer our national sport. Instead of cringing before uncertain economic indicators, shaking fists at politicians or bowing to hidebound social restraints, most Canadians at mid-decade are confident about themselves and optimistic about their country.... Instead of condemning the past, dreading the present and nervously squinting at the future, Canadians seem delighted with their lives and prospects."

Obviously, that new Canadian self-confidence gives us more latitude in our relations with the United States. While it took odd forms, many Canadians were afraid of the US. We think there is less of that now, just as we believe there is less fear of the rest of the world. And, from the Government's point-of-view, that new Canadian confidence could not have come at a better time. Because if attitudes at home allow us to venture more actively into the world, international economic developments leave us no choice.

For example, between 1970 and 1982, Canada's share of manufactured exports to other market economies declined from about 4.8 per cent in total to 3.6 per cent. In 1968, we exported about as much as Japan; today, Japan exports twice as much as we do. While previously Japan was the only competitor, whose export-led strategy caused our industries difficulties, now there are several more — among them, South Korea, Hong Kong and Singapore. In a world transformed by innovation, the percentage of our gross domestic product devoted to research and development is about where it was in 1971, while that of most other major industrialized countries has moved upward significantly. Our productivity trends raise concern. To take one example, the United States, our major trading partner, remains more productive than we do. There is evidence that Japan has drawn ahead of Canada in absolute manufacturing productivity. Those reflect international developments we cannot ignore.

Canadians understand, in general terms, the need to become more competitive. The sense that a change was needed was part of the reason our new Government won such a dramatically national mandate. As I mentioned earlier, we are still seeking the views of Canadians about the most effective ways to achieve change, including the possibility of fundamental changes in the structure of our relations with the United States.

That, however, is only one element in managing the complex web of interchanges that characterizes the Canada-United States relationship. Independent of the structural issue has been the profound change in attitude that the new Government has brought to the management of our relations. There has to be understanding, a measure of trust and a firm acceptance that mutual interests must be accommodated and supported.

The meeting in Quebec City last week was the outcome of a process that was proposed to Canadians throughout the summer, and supported on election day. It is based on the full knowledge that there will always be significant differences between our two countries, and some difficult problems. But we believe that, in the words of President Ford, we can "disagree without being disagreeable".

The most urgent international issues today are economic and the first on the time-table concern trade.



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There is an OECD meeting in early April, an Economic Summit in early May, and an active continuing discussion about options in Canada-US trade. I am particularly pleased with the results that were achieved at Quebec. The Summit Declaration on Trade reflects the strong personal commitment of the Prime Minister and the President to create a more secure, predictable environment. Both leaders specifically committed themselves to halt protectionism on cross-border trade in goods and services. As well, both countries agreed to adopt measures to enhance access to each other's market. A program has been launched to explore means to facilitate and increase not only trade but also investment.

Of equal importance was the strong and clear commitment on the part of both countries to work together to make the open, multilateral trading system work better, and to strengthen and extend the disciplines governing international commerce. Canada was one of the principal architects of the multilateral economic system, and it remains one of the cornerstones of our foreign policy.

There are evident tensions among and between the Summit partners as to the sources of continuing international economic malaise. Exchange rates, macro-economic policies and the proposal for a new round of multilateral trade negotiations, are major issues, and Canada will be working to achieve a policy consensus at Bonn.

A major Canadian objective will be to obtain a commitment to launch a new round of multilateral trade negotiations in early 1986. That will help provide the focus to keep at bay the protectionist pressures that are welling up in many countries. Equally, those negotiations could lead to new disciplines and initiatives to protect and strengthen the multilateral trading system. Our immediate objective is to ensure that there will be a meeting of senior officials in GATT this summer, which will launch the formal preparatory process. The importance of an open trading system is among the many questions in which Canada and the United States have a similar interest.

Naturally, there are others. And, in a sense, it is unfortunate that Canadian commentators are so preoccupied with the United States. That blinds us to the fact that the same forces which draw Canada into a closer relation with the United States also draw Canada into a closer relation with the rest of the world. The Global Village, which everyone talks about, will not leave us alone. If involvement in the wider world were a matter of choice before, it is an irresistible necessity now. Canada was once a country of Vancouver, Toronto, Montreal and Halifax. Today, our emotions are engaged by starvation in Africa; our survival is at stake in negotiations at Geneva; and our economy depends on being better than the Koreans, the Germans and the Saudis in producing tiny computers and heavy equipment and crude oil.

The foothills west of my home town in Alberta, were once a refuge for so-called remittance men, who wanted to leave the world of civilized Europe behind. There is no refuge now. That idea is out of date — and so is the idea that Canada could somehow sit primly at the side, mediating, moderating, and choosing fastidiously where we would sell our wares, or fight our wars.

That was a peculiar notion anyway, more popular with our poets than our soldiers or our missionaries or our traders. We have always been active in the world, but anxious to pretend that we were separate



and alone. Our soldiers died, and our missionaries proselytized, for universal causes, but our images were insular, and our great political debates were about *not* being British than *not* being American. It is ironic that we have become simultaneously more sure of our ourselves, and less able to stand apart.

Everyone who understands geography and trading statistics will know why a new Government of Canada would give priority to our relations with the United States. They are our biggest trading partner and the world's most powerful economy. Moreover, they are our friends but, for the last several years, we have not seemed to be treating them that way. That relation is the logical place for a new Canadian Government to start a recovery that is based on trade and competitiveness. Obviously, we cannot stop there and, just as obviously, we can't let our trading relations or our North-American relations dictate our international policy. But they are, legitimately, central parts of what we can do in the world. A country without growth cannot help others develop. A country that fears its best friend won't be much of a mediator.

I am, of course, aware that the speed with which we have acted to repair Canada-US relations can create questions about our interests elsewhere. Let me answer that this way: Canada would be crazy to lock ourselves into North America. Our interests, including our markets, are international, not continental. In the next few years, our greatest new growth will come in trade across the Pacific. Our ties with Europe are deep, economic, cultural, permanent and part of our nature.

March was more than the month of the Quebec Summit. In that sixth month of our term, we increased our obligations to NATO in Europe by 1 200 personnel and set up the National Committee in Canada for Pacific Economic Co-operation to ensure private and public sector co-operation in building our markets and our contacts in Asia and the Pacific Rim. It is a month in which the Prime Minister has been, and I will be, in the Soviet Union. My visit will be the first by a Canadian foreign minister in more than a decade and, in addition to meetings in Moscow, I am deliberately taking the time to go into the resource and frontier areas of Siberia, where Canada and the Soviet Union have so much to learn from one another. On all these matters, and others, we intend to maintain Canada's constructive presence internationally, sharpening our interests in economic realities, bringing new energy to relations where, under the old regime, Canada might have become complacent. The proper description of our orientation is not that we are looking southward, but that we are looking outward.

I also know that some commentators, who enjoy the soft luxury of commentary, have suggested that friendship with the United States inevitably limits our independence and our influence. I hope they will begin to examine their own premises as thoroughly as they pretend to examine others. I made the point in Parliament, on Tuesday, that Canada's international reputation as a respected mediator and middle power was won at a time when no one questioned our friendship with the United States. There is no evidence, now or historically, to conclude that tension with our closest neighbour increases our credibility in the world. I believe the opposite to be the case, particularly when the neighbour is the United States. The goodwill that was evident at Quebec City gives us an access to American leaders that ill-will would not. In addition, it has the simple advantage of being honest. In the last ten days, Mr. Mulroney met both Mr. Gorbachev and Mr. Reagan. Both know where Canada stands. We are part

of the West and part of the world and prepared to meet our obligations to both. Again — to repeat my immortal observations in Parliament last Tuesday — our friendship with the United States did not stop Canada from playing a leading role in bringing relief to Ethiopia, although the regime in that country is deeply disliked by the United States. It did not stop the Prime Minister from a highly successful meeting in the Caribbean. We have demonstrated to our NATO allies that they have two strong friends in North America, not just one. We have provided our unique expertise in peacekeeping to the Contadora countries in Central America. We have been invited by all sides to help in the Sinai. We are working from within to reform the organization of UNESCO, an organization the United States has left. We are making our independent review of the appropriate policy towards South Africa, and so it goes.

Our basic challenge, in working with the United States, is to exercise our independence where we differ, and co-operate effectively when we agree. The contrary temptations are to mute our differences, or to exaggerate them. We would serve everybody badly by pretending to agree with the Americans on everything from Nicaragua to UNESCO. But we also have no need to act as a dyspeptic mother-in-law to the world, hectoring our friends to the delight of our opponents.

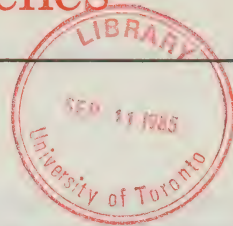
To my mind, the most revealing moment of the Quebec Summit occurred on Sunday evening, before the two leaders sang. It was when the orchestra struck the National Anthem deep in the heart of Quebec, and everybody sang, in French and in English, and with the sort of fervour one does not find often, singing our anthem. Some say that not everything at Quebec was spontaneous. Well, that was — spontaneous, genuine, and yet another expression of a Canadian self-confidence which, if encouraged, can enlarge our influence in North America and the world.



# Statements and Speeches

No. 85/6

CAI  
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- S71



## URGENT NEED FOR PEACEFUL REFORM IN SOUTH AFRICA

Notes for a speech by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Royal Commonwealth Society, London, England, July 29, 1985.

I am here in two capacities. The first is that it is now my honour to lead Arnold Smith's old Department, and there is a particular Canadian pride in the anniversary and success of the Commonwealth Secretariat.

My second credential is as a reformed skeptic about the Commonwealth — made skeptical originally by a suspicion that a club of old colonies would be better at talking than acting; and reformed by the best teacher — the experience of seeing the Commonwealth at work. I represented Canada at the Heads of Government Meeting in Lusaka, when the prime ministers of Great Britain, Tanzania and Zambia, with encouragement from the rest of us, worked out the agreement on Zimbabwe. That was action, not talk — historic action reflecting great courage and skilful compromise. Many leaders contributed to that result, but I think it appropriate to note the particular determination and vision of the prime minister of Great Britain, in choosing the right time to move her country and our Commonwealth forward on a crucial issue. The example should remind us that the Commonwealth can be an instrument of profound change, if its members work steadily together.

A determination to work together that way is more important now than ever — not simply in the face of urgent current issues, but also because the world needs international institutions that work. If I may be immodest on my country's behalf, Canada is well placed to make that observation. Through 40 years and governments of both our parties, Canadians have been unusually active in helping to extend international order — in Indochina and in Cyprus; in development and on arms control; in response to the crisis of refugees or famine; and in preparing the way for new regimes of international law. Whatever that says of our character, it is testimony to our prudence because we know that the interests and security of Canada depend on making constant progress against the poverty and prejudice, the fear and zeal, that are the enemies of international order.

No one is immune to the consequences of disorder. The bomb at Narita Airport was in baggage shipped from Canada. The breakdown of world trading arrangements costs Canadian jobs. Local conflicts that escalate, or become infected by larger rivalries, threaten the security of all of us equally.

There is nothing new about these observations except, perhaps, that they have become so familiar that we take less account of them than we should. Forty years ago, freshly conscious of the devastation that can grow when nations go their separate ways to war, world leaders established the United Nations system. Much of our successful history since that time has been a history of alliances — the North Atlantic Treaty Organization (NATO), the General Agreement on Tariffs and Trade (GATT), the



European Community, and a multitude of more local arrangements – whether bringing together the nations of Southeast Asia, or keeping peace in Cyprus or the Sinai.

Shocked by war, we found ways to work together. Now, sheltered by relative peace, we are drifting away from the international system that helped build that peace. The United States, Great Britain and Singapore, after careful consideration of their national interests, have served notice on the United Nations Educational, Scientific and Cultural Organization (UNESCO). India and Brazil and others resist renewal of multilateral trading negotiations. Greece is reconsidering its role in NATO. Instead of sending signals of leadership, the European Community is characterized by its bureaucracy and disputes, the General Assembly by its cacophony, the Security Council by wilful impotence. In Central America, the Contadora process seems stalled. In Namibia, the Contact Group, including Canada, has taken no effective initiatives. While bombs kill baggage-handlers, and the hostage-taking at Beirut is treated as live “soap opera”, all civilized nations lament terrorism, but are slow in finding practical ways to fight it.

Against that trend, of course, there are solid new international initiatives: the response to the famine in Ethiopia; the refreshing possibility of a summit of francophone countries; the new attention that is being paid to terrorism and to the trade in drugs.

And there are brilliant, unsung, successes. I spent part of last week in a refugee camp just inside Thailand, where the United Nations Border Relief Organization (UNBRO) is working with some of the bravest people I have ever met – Cambodians uprooted from their homes and, with UNBRO, building literacy and hope and health in the shadow of Vietnamese shelling.

The world works. The United Nations Children's Fund (UNICEF) is saving 400 000 children each year from death by malnutrition and disease. The crushing debts of Mexico and Brazil are gradually being worked down by international agreement, as was India's earlier. While local wars have taken countless lives, and atrocities continue daily in Afghanistan, and South Africa, and Cambodia, and Chile, the striking fact of these last four decades is that we have escaped the devastating global wars that twice destroyed the world in the 40 years before 1945.

But one does not save children, or reschedule debt or avoid world war by accident. That is the hardest of work, and requires, in addition to dedication, a continuing commitment to international systems and institutions.

That brings me directly to the Commonwealth, whose success is particularly important in an age where other international institutions are less successful, but which is also vulnerable to skepticism and complacency.

It is fair to say that the modern postwar Commonwealth came of age with the establishment of the Secretariat in 1965. It found its mandate then with the launching of its highly successful aid and development programs – and it found a new vocation in the active role it assumed in facilitating the process toward Zimbabwe's independence. In that case, and with the Gleneagles Agreement, the Commonwealth demonstrated a capacity to achieve significant political change. That capacity must be exercised with

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care, but it characterizes the Commonwealth as an agency of action, not just talk. So does the quieter progress made on other issues – the survival of small island nations; the pioneering studies on the world financial and trading system, and on indebtedness among developing countries; the nurturing of nearly 300 non-governmental Commonwealth organizations.

I am particularly pleased by the informal practice of having Commonwealth ministers meet just before major UN conferences, to explore the possibility that this particular family might find agreement that could elude larger assemblies. Special Commonwealth consultation in UNESCO has helped bring both progress and perspective to the process of reform required in that organization. The meeting of Commonwealth ministers responsible for women's affairs, just before the end-of-decade conference in Nairobi, helped focus attention on the basic questions of access to technology and credit and ownership of land.

That practice takes advantage of the two characteristics which make the Commonwealth successful. The first characteristic, of course, is that we reach across oceans and languages and races and conditions of development. The second characteristic, just as important, is precisely that we have developed the habit of working together, or looking beyond differences, instead of seeking refuge in them. To return to my own experience, the conference at Lusaka was one of three that summer. It was preceded by an economic summit at Tokyo in which Great Britain and Canada participated. It was followed by a meeting of the non-aligned in Havana, in which Great Britain and Canada did not participate, but much of the rest of the Commonwealth did. Of the three meetings, the rhetoric was calmest, the perspective broadest, at Lusaka. That ability to find common ground, in a world tempted by extremes, is what makes the Commonwealth invaluable.

Our great challenge now, of course, is to apply that tradition to make progress against the scourge of *apartheid*. Many of our national governments have taken individual actions respecting South Africa. In early June, I announced a series of measures by Canada, ending our double taxation agreement and the application of our global export insurance; tightening our Code of Conduct and requiring the publication of compliance reports; stopping exports of sensitive equipment like computers; and increasing substantially our funding of the education and the training of blacks in South Africa and Canada. In our case, these actions and others were the first results of a policy review our new government is conducting. I made it clear that other steps would follow, and that they would be considered in close consultation with other members of the Commonwealth.

Our late prime minister, John Diefenbaker, was a leader in the decision by the Commonwealth Conference of 1961 to expel South Africa. He said, at that time, that there would always be a light in the window for South Africa – an opportunity to resume old ties when *apartheid* was abandoned, and all South Africans were treated on the same basis under their law and constitution.

That conference of expulsion was nearly a quarter century ago and *apartheid* continues and violence grows in South Africa, as the revulsion against *apartheid* grows in my country. We cannot accept that the majority of South Africans should remain on the outside, deprived of dignity and basic human rights, harassed by police, arbitrarily held in detention, denied citizenship, some separated from their families, all deprived of a true voice in their own country's affairs.

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These next few weeks seem likely to be marked by more violence within South Africa, and more condemnation outside. The worst result would be for the solitudes to deepen, the violence to grow. The special duty of the Commonwealth and its member governments is to point the way to reforms that will both end *apartheid*, and rebuild relations with South Africa.

One can never judge with certainty the weight of international opinion. We must assume that leaders of government and industry in South Africa want their country to live in harmony with others, not in deepening hostility. And we must remember that our practical purpose is to change opinion and behaviour within South Africa.

That requires unflinching firmness in the condemnation of *apartheid*, and a determination to find ways to bring different parties together toward reform.

I applaud the initiative of Bishop Tutu in offering to meet the president of the Republic of South Africa, and have been encouraged by what appears to be a positive response to that initiative by South African authorities. Other similar actions by South Africa, would improve the rate of progress, and reduce the risk of violence.

Serious dialogue must begin with leaders who have the trust of the black community. The release of Nelson Mandela, and his involvement in such a serious dialogue, would be a significant step towards trust and peaceful reform.

The Government of Canada urges South Africa to stop the arrests and end the detention without trial of those who have called for, and participated in, non-violent protests. Imprisoning hundreds is no way to start a dialogue. Those who are detained, and forced to be silent, cannot contribute to reconciliation, or help to achieve a true and equal partnership. In the interests of peaceful change, and as a prelude to genuine dialogue, we urge the Government of South Africa to state clearly now that its objective is to end *apartheid*, and to replace it by a system based on full partnership and equality.

No one mistakes the determination of the Commonwealth to end *apartheid*. There is no doubt that determination remains sharp and clear. We have a particular responsibility now, as events take new momentum, and the choice is between violent and non-violent reform. It is to explore every avenue that may lead quickly to reform, and to use our special influence and experience to prepare the way for progress, after *apartheid* is ended.

Particular steps may commend themselves to the Commonwealth as an organization. It may wish to explore whether it, or some of its members, can contribute to opening that dialogue between the South African Government, and those who stand in opposition to it. That could perhaps be done by providing an occasion for exploratory talks. If there are any possibilities for opening the door to peaceful change, we should not be deterred by fear of rebuff.

Nor should we assume South Africa will resist real change for ever. The recent actions to allow blacks permanent residence in certain urban areas and suspension of forced removals of blacks, are, at least,



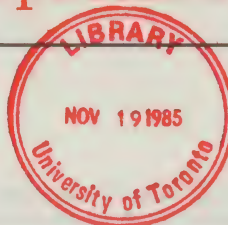
a step away from the past. As we urge basic reform, we must also emphasize our belief that a change of direction is possible within South Africa and in South Africa's relations with other countries. Of course, the prospect of change will seem frightening to some, and we must encourage an understanding that it is better to abandon conflict and to enter into partnership with all South Africans, and all the world, than to persist in the present course. Among the duties of the Commonwealth is to keep the light in the window for South Africa, to urge and facilitate reform, yet keep alive the prospect of reconciliation once *apartheid* is disavowed and undone.





# Statements and Speeches

No. 85/7 CA/  
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## POLICY ON CANADIAN SOVEREIGNTY

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, in the House of Commons, Ottawa, September 10, 1985.

Sovereignty can arouse deep emotion in this country. That is to be expected, for sovereignty speaks to the very identity and character of a people. We Canadians want to be ourselves. We want to control our own affairs and take charge of our own destiny. At the same time, we want to look beyond ourselves and to play a constructive part in a world community that grows more interdependent every year. We have something to offer and something to gain in so doing.

The sovereignty question has concerned this government since we were first sworn in. We have built national unity, we have strengthened the national economy, because unity and strength are hallmarks of sovereignty, as they are hallmarks of this government's policy and achievements.

In unity and strength, we have taken action to increase Canadian ownership of the Canadian petroleum industry. We have declared a Canadian ownership policy in respect of foreign investment in the publishing industry. We have made our own Canadian decisions on controversial issues of foreign policy — such as Nicaragua and South Africa. We have passed the *Foreign Extraterritorial Measures Act* to block unacceptable claims of jurisdiction by foreign governments or courts seeking to extend their writ to Canada. We have arrested foreign trawlers poaching in our fishing zones. We have taken important steps to improve Canada's defences, notably in bolstering Canadian forces in Europe and in putting into place a new North Warning System to protect Canadian sovereignty over our northern airspace. And we have reconstructed relations with traditional friends and allies, who have welcomed our renewed unity and strength and the confidence they generate.

In domestic policy, in foreign policy, and in defence policy, this government has given Canadian sovereignty a new impetus within a new maturity. But much remains to be done. The voyage of the *Polar Sea* demonstrated that Canada, in the past, had not developed the means to ensure our sovereignty over time. During that voyage, Canada's legal claim was fully protected, but when we looked for tangible ways to exercise our sovereignty, we found that our cupboard was nearly bare. We obtained from the United States a formal and explicit assurance that the voyage of the *Polar Sea* was without prejudice to Canada's legal position. That is an assurance which the government of the day, in 1969, did not receive for the voyage of the *Manhattan* and of the two United States Coast Guard icebreakers. For the future, non-prejudicial arrangements will not be enough.

The voyage of the *Polar Sea* has left no trace on Canada's Arctic waters and no mark on Canada's Arctic sovereignty. It is behind us, and our concern must be what lies ahead.

Many countries, including the United States and the Federal Republic of Germany, are actively preparing





for commercial navigation in Arctic waters. Developments are accelerating in ice science, ice technology, and tanker design. Several major Japanese firms are moving to capture the market for icebreaking tankers once polar oil and gas come on stream. Soviet submarines are being deployed under the Arctic ice pack, and the United States Navy in turn has identified a need to gain Arctic operational experience to counter new Soviet deployments.

The implications for Canada are clear. As the Western country with by far the greatest frontage on the Arctic, we must come up to speed in a range of marine operations that bear on our capacity to exercise effective control over the Northwest Passage and our other Arctic waters.

To this end, I wish to declare to the House the policy of this government in respect of Canadian sovereignty in Arctic waters, and to make a number of announcements as to how we propose to give expression to that policy.

Canada is an Arctic nation. The international community has long recognized that the Arctic mainland and islands are a part of Canada like any other. But the Arctic is not only a part of Canada. It is part of Canada's greatness.

The policy of this government is to preserve that greatness undiminished.

Canada's sovereignty in the Arctic is indivisible. It embraces land, sea, and ice. It extends without interruption to the seaward-facing coasts of the Arctic islands. These islands are joined and not divided by the waters between them. They are bridged for most of the year by ice. From time immemorial Canada's Inuit people have used and occupied the ice as they have used and occupied the land.

The policy of this government is to maintain the natural unity of the Canadian Arctic archipelago, and to preserve Canada's sovereignty over land, sea, and ice undiminished and undivided.

That sovereignty has long been upheld by Canada. No previous government, however, has defined its precise limits or delineated Canada's internal waters and territorial sea in the Arctic. This government proposes to do so. An order-in-council establishing straight baselines around the outer perimeter of the Canadian Arctic archipelago has been signed today, and will come into effect on January 1, 1986. These baselines define the outer limit of Canada's historic internal waters. Canada's territorial waters extend 12 miles seaward of the baselines. While the *Territorial Sea and Fishing Zones Act* requires 60 days' notice only for the establishment of fisheries limits, we consider that prior notice should also be given for this important step of establishing straight baselines.

Canada enjoys the same undisputed jurisdiction over its continental margin and 200-mile fishing zone in the Arctic as elsewhere. To protect the unique ecological balance of the region, Canada also exercises jurisdiction over a 100-mile pollution prevention zone in the Arctic waters. This too has been recognized by the international community, through a special provision in the United Nations Convention on the Law of the Sea.

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No previous government, however, has extended the application of Canadian civil and criminal law to offshore areas, in the Arctic and elsewhere. This government will do so. To this end, we shall give priority to the early adoption of a *Canadian Laws Offshore Application Act*.

The exercise of functional jurisdiction in Arctic waters is essential to Canadian interests. But it can never serve as a substitute for the exercise of Canada's full sovereignty over the waters of the Arctic archipelago. Only full sovereignty protects the full range of Canada's interests. This full sovereignty is vital to Canada's security. It is vital to Canada's Inuit people. And it is vital even to Canada's nationhood.

The policy of this government is to exercise Canada's full sovereignty in and over the waters of the Arctic archipelago. We will accept no substitutes.

The policy of this government is also to encourage the development of navigation in Canada's Arctic waters. Our goal is to make the Northwest Passage a reality for Canadian and foreign shipping, as a Canadian waterway. Navigation, however, will be subject to the controls and other measures required for Canada's security, for the preservation of the environment, and for the welfare of the Inuit and other inhabitants of the Canadian Arctic.

In due course, the government will announce the further steps it is taking to implement these policies, and especially to provide more extensive marine support services, to strengthen regulatory structures, and to reinforce the necessary means of control. I am announcing today that the government has decided to construct a Polar Class 8 icebreaker. The Ministers of National Defence and Transport will shortly bring to Cabinet recommendations with regard to design and construction plans. The costs are very high, in the order of half a billion dollars. But this government is not about to conclude that Canada cannot afford the Arctic. Meanwhile, we are taking immediate steps to increase surveillance overflights of our Arctic waters by Canadian Forces aircraft. In addition, we are now making plans for naval activity in eastern Arctic waters in 1986.

Canada is a strong and responsible member of the international community. Our strength and our responsibility make us all the more aware of the need for co-operation with other countries, and especially with our friends and allies. Co-operation is necessary not only in defence of our own interests but in defence of the common interests of the international community. Co-operation adds to our strength and in no way diminishes our sovereignty.

The policy of this government is to offer its co-operation to its friends and allies, and to seek their co-operation in return.

We are prepared to explore with the United States all means of co-operation that might promote the respective interests of both countries, as Arctic friends, neighbours, and allies, in the Arctic waters of Canada and Alaska. The United States has been made aware that Canada wishes to open talks on this matter in the near future. Any co-operation with the United States, or with other Arctic nations, shall only be on the basis of full respect for Canada's sovereignty. That too has been made clear.

In 1970, the government of the day barred the International Court of Justice from hearing disputes that might arise concerning the jurisdiction exercised by Canada for the prevention of pollution in Arctic waters. This government will remove that bar. Indeed, we have today notified the Secretary-General of the United Nations that Canada is withdrawing the 1970 reservation to its acceptance of the compulsory jurisdiction of the World Court.

The Arctic is a heritage for the people of Canada. They are determined to keep their heritage entire. The policy of this government is to give full expression to that determination.

We challenge no established rights, for none have been established except by Canada. We set no precedent for other areas, for no other area compares with the Canadian Arctic archipelago. We are confident in our position. We believe in the rule of law in international relations. We shall act in accordance with our confidence and belief, as we are doing today in withdrawing the 1970 reservation to Canada's acceptance of the compulsory jurisdiction of the World Court. We are prepared to uphold our position in that Court, if necessary, and to have it freely and fully judged there.

In summary, these are the measures we are announcing today:

- (1) immediate adoption of an order-in-council establishing straight baselines around the Arctic archipelago, to be effective January 1, 1986;
- (2) immediate adoption of a *Canadian Laws Offshore Application Act*;
- (3) immediate talks with the United States on co-operation in Arctic waters, on the basis of full respect for Canadian sovereignty;
- (4) an immediate increase of surveillance overflights of our Arctic waters by aircraft of the Canadian Forces, and immediate planning for Canadian naval activity in the Eastern Arctic in 1986;
- (5) the immediate withdrawal of the 1970 reservation to Canada's acceptance of the compulsory jurisdiction of the International Court of Justice; and
- (6) construction of a Polar Class 8 icebreaker and urgent consideration of other means of exercising more effective control over our Arctic waters.

These are the measures we can take immediately. We know, however, that a long-term commitment is required. We are making that commitment today.

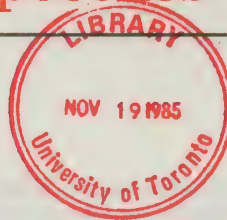




# Statements and Speeches

No. 85/8

CAI  
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## CANADA'S MEASURES AGAINST APARTHEID

Statement in the House of Commons by the Right Honourable Joe Clark, Secretary of State for External Affairs, in Ottawa, September 13, 1985

I want to speak to the House about *apartheid*, and about what Canada can do to end a repugnant racist system. I am guided in these statements by two realities: first, that Canadians are offended by, and abhor the practice of institutionalized racism by a society that claims to share our values. Second, that Canada's influence is limited but real, and our challenge in this government, in this country is to take practical steps which help to end *apartheid*.

Expressing our outrage is part of our duty, and those Canadian citizens who join in peaceful protest and in demonstrations help to show the South African government how deeply the people of this country are offended by their racist practices.

It is also part of our duty to make clear to South Africa that Canada is prepared to invoke total sanctions if there is no change. As a general principle, we believe that diplomatic and economic relations should exist even though governments might disagree. Indeed, if we had accepted six months ago the advice of some groups that we then break all diplomatic and commercial relations with South Africa, we would be in no position today to act individually or in concert with other nations to add to the pressure being felt by the South African government.

We fully recognize, however, that Canada has a responsibility to provide both moral and practical leadership. The government of South Africa should have no doubt that we will invoke full sanctions unless there is tangible movement away from *apartheid*.

I will be reviewing today the actions Canada has taken, announcing some new initiatives today, and asking the House to consider avenues of influence which we, and our fellow citizens, and our friends in the world can pursue. But first, I think it helpful to indicate some of the changes we seek to bring on those norms of behaviour we expect of all civilized countries, changes which would prove that South Africa is moving away from *apartheid*.

In terms of broad principle, we would look for:

- The introduction of common citizenship. That implies common political rights including the right to vote, and an end to different categories of citizens.
- An end to laws which classify South Africans according to colour or race.
- Freedom for all South Africans to live, move and work unimpeded by arbitrary restrictions.

— Independence for Namibia under UN resolution 435. This would be an important sign that South Africa is willing to accept its neighbours as they are and to live at peace with them.

None of these is as important, however, as the final principles I would cite:

— The release of political prisoners and detainees: the release of the African National Congress (ANC) and United Democratic Front (UDF) leaders who have been driven to resist the system of *apartheid*.

— The initiation of a process of consultation and negotiation with the genuine leaders of those who are called Indian, blacks, and coloureds. This means that such consultations cannot be confined to the homeland leaders.

— And finally, the initiation of a process of reform based on consent not imposition or coercion. Such a process would clearly lead to representative institutions which include blacks.

These are the key steps, for it is not Canada's — nor any other country's — consent or support which is crucial to this process. It is the consent and support of South Africans of every race and colour which counts.

What we are witnessing in South Africa, rather than change, is a deepening crisis. Demonstrations, strikes and acts of resistance against an unjust system continue. They continue to be met with violence, arbitrary arrest and detention-measures of repression and control rather than conciliation.

We condemn the detention of the leaders of the UDF-professor Farouk Meer, and others. We are shocked by the detention of Allan Boesak, the president of the World Alliance of Reformed Churches, who a short while ago visited Canada and spoke to us not of revolution or violence but of justice, equality and reconciliation. We deplore the heartlessness of a government which keeps behind bars the now seriously ill Nelson Mandela.

We call on the South African government to release all those whose offence is simply to oppose *apartheid*. We add the names of Tutu and Boesak to that of Mandela among those who should be invited for dialogue, not rebuffed not relegated to silence, not dismissed with contempt. It would indeed be tragic if history were to repeat itself and the UDF were to be cast into the role of the ANC as something to be stopped, repressed, rendered illegal.

Bishop Tutu can no doubt bear his rebuff from President Botha. Both Nelson Mandela and Allan Boesak may bear their imprisonment. But can South Africa bear the result? It is clear that one more community in South Africa, the business community, is beginning to have its doubts.

Their confidence shaken, business and investors within and outside South Africa have fostered a wave of disinvestment, without the prompting of governments, but surely reflecting both the events on the ground in South Africa and the signals many governments have sent.

If some South African entrepreneurs have, for too long, lent support to *apartheid*, the consequence of their movement now cannot be overstated.

Canada's contribution to bringing about those new realities recognized by South African business has been significant. Our policy, through several administrations, has been one of consistent opposition to *apartheid*.

More recently, at Baie Comeau on July 6, I issued a statement of policy on behalf of the government of Canada. Basing ourselves not on our own righteousness, but on our common humanity, we introduced ten steps, including certain economic sanctions, to strengthen our opposition to *apartheid*, and two measures to foster peaceful change.

We ended the program for export market development (PEMD) and the global insurance policies written by the Export Development Corporation in so far as they applied to South Africa. That lived up to the pledges of the former government and stopped all official support for trade and investment in South Africa. Those two trade measures sent very distinct signals.

We broadened and tightened application of the United Nations arms embargo so as to include a broader range of high-technology items, including computers. We have been the only government to announce the abrogation of our double taxation agreements.

We drew to the attention of Canadians the Security Council resolution prohibiting the sale of *kuggerands*. Our confidence that the Canadian sellers of *kuggerands* would take note of our wishes was well placed; sales have virtually come to a halt.

We developed and clarified policies on sporting contacts and official contacts and co-operation. Notice was served that the toll-processing of Namibian uranium would end with current contracts, despite the costs involved.

We announced the assignment of an office charged with responsibility for labour affairs to our embassy in South Africa, to maintain direct contact with South African workers who are agents of reform. That officer will be chosen in consultation with the Canadian Labour Congress.

We more than tripled the funds available for the education and training of the black community. That increased grant will make possible the award of 40 scholarships in the current fiscal year. We applaud the priority which has been placed by the Canadian labour movement on providing training for South African blacks, and we would welcome initiatives and contributions by others in this regard.

But that has not been all. Other levels of government have also sent strong signals. A number of provinces have seen this as a special case and have shown by their actions that Canadians in all parts of this country abhor *apartheid*. In addition, private Canadian companies have voluntarily announced that they will no longer purchase South African products. Canadian labour has consistently spoken out



against *apartheid*, and now some Canadian unions have refused to unload a ship carrying South African steel. Universities are debating disinvestment of their South African holdings. This issue has, in a dramatic manner, affected Canadians as a people, and South Africans who condone *apartheid* should know that they offend not just the government of Canada, but our people and our values.

In focussing that anger, in applying steady pressure for change, we must have the best information and judgments we can get on how to use our influence most effectively.

We will work closely with our friends. The distinguished African leader, the chairman of the Front Line States, President Julius Nyerere of Tanzania has been invited by the Prime Minister to pay an official visit to Canada September 24-26. The Secretary-General of the Commonwealth will visit Canada in early October. We will seek their advice, and that of other leaders opposed to *apartheid*, particularly in the Commonwealth and among the Front Line States. We expect the meeting of the heads of government of the Commonwealth, in mid-October, to provide an opportunity for common action against *apartheid*.

We are taking a number of further measures as the government of Canada as part of our continuing pressure against *apartheid*.

First, I am meeting a number of representatives of Canadian businesses and finance in order to examine areas of co-operative action against *apartheid*. Because I believe that there is a very real possibility that where governments may not have influence on some levels of the business community and the bureaucracy in South Africa, Canadians active in business could well have that influence that could do what governments, Parliament and public officials are trying to do. The first meeting took place on September 9. The others will follow shortly, on September 17 and September 20.

Second, the Canadian government is introducing a voluntary ban on loans to the government of South Africa and all of its agencies. We are asking all Canadian banks to apply such a ban and we have reason to believe that they will do so. Some have already acted on their own and we welcome that. The ban will not affect any outstanding credits nor prevent loans. That could clearly be to the benefit of blacks.

Third, I am announcing the appointment of Mr. Albert Hart as administrator of the Canadian code of conduct for the employment practices of Canadian companies operating in South Africa. Mr. Hart has had a distinguished career as a public servant, including assignment as High Commissioner to Ghana. Mr. Hart will take up his duties shortly and will be in touch with the companies concerned. We are today issuing a standard reporting format for the annual public reports which have been requested by the government under the code of conduct.

Fourth, the Canadian government will apply a voluntary ban on the sale of crude oil and refined products to South Africa. To this end, we are asking Canadian companies not to enter into any contracts for the sale and export of these goods to South Africa. Our sales in this area have been limited in the past. This measure is being taken now to ensure that Canada does not become an alternative source of supply in the future.

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Fifth, we are bringing in an embargo on air transport between Canada and South Africa. It will cover both cargo and passenger flights. As we have no bilateral air agreement, neither country's airlines have obtained traffic rights from the other country for scheduled international services. Direct air transport between the two countries has, in consequence, been limited to occasional charters. The effect of this measure is therefore to stop those charter flights and rule out reciprocal air service at least until the process of dismantling of *apartheid* is well engaged.

Sixth, a register has been opened for the voluntary measures which Canadian provinces and municipalities, as well as private institutions, organizations and firms have taken against *apartheid*. Thousands of Canadians have acted quietly on their own in protest, and we encourage others to do so. Individuals and institutions which wish to do so are invited to register their actions by writing to me and indicating what they have done. The list of measures will have an exemplary impact and will be conveyed to the Secretary-General of the United Nations in the expectation and with the recommendation that other nations might follow suit so that there will develop a world-wide register of the actions of individuals who abhor *apartheid*.

Seventh, in view of the increasing numbers of arrests of non-violent opponents of *apartheid*, I am today announcing that an additional \$1 million will be allocated on humanitarian grounds to assist the families of political prisoners and detainees in South Africa. These funds will be channelled through organizations such as the International Defence and Aid Fund for Southern Africa (IDAFSA) and Canadian groups which are actively supporting the victims of *apartheid*.

In the prevailing circumstances, we must proceed with prudence and determination so that the words we say and the actions we take, alone or in concert with other countries, will help end injustice and violence. There have been some hopeful signs in recent days regarding the past laws and common citizenship. We do not know whether the reforms hinted at will be realized but we certainly wish to encourage movement in that direction and encourage the efforts of those South African business people who have long supported reform and who have now taken the initiative to encourage dialogue with the true representatives of blacks in South Africa. The days and weeks ahead will be marked, on our side, by a continued search for steps that may help to bring justice to South Africa and greater harmony to the region. For Canada that search will centre on consultations with our partners in Africa and elsewhere in the world, but particularly on the Commonwealth. Nor, of course, do we exclude talks with South Africa if the door remains open and we can influence events.

Seven of South Africa's close neighbours are Commonwealth countries, and an eighth, Namibia, has been invited to join. Their people are closely linked; their economies are deeply dependent on one another; their security and their standing cannot be separated.

There can be no peace in the region while South Africa remains at odds with its Commonwealth neighbours, and while they live in fear of it. *Apartheid* is a Commonwealth problem. The question is not whether the Commonwealth has a role: by force of circumstance, it must be concerned and involved.

And more than that, the Commonwealth has traditions, and historic ties with South Africa, that have

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prepared it to pay a reconciling part if the government of South Africa opens the door to it. Despite the sharp differences which have divided governments, the people of the Commonwealth and the people of South Africa are from the same traditions. There is a disposition to be helpful and to seek reconciliation among South Africa's neighbours. What we must know is whether it will be reciprocated.

Another forum, whose unanimous resolutions have consistently been ignored by the South African government, is the United Nations. At the imminent General Assembly, as it has in past, Canada will encourage upon the world community the sort of concerted action which should leave South Africa with no doubts about the repugnance of its policies.

As the world speaks, the unusual phenomenon of growing pressure on the South African government from within that country will be given an opportunity to bear fruit. Our actions today, those taken by other governments and those actions which will be taken by other governments will, collectively, keep the pressure on. If the government of South Africa remains unbending to that pressure, then Canada will be left with no resort but to end our relations absolutely.

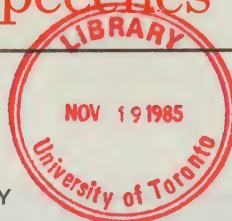




# Statements and Speeches

No. 85/9

CAI  
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- 571



## DOMESTIC PRIORITIES AND INTERNATIONAL POLICY

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Canadian Club, Winnipeg, September 19, 1985.

I want to speak today of the intimate and essential connection that exists between domestic priorities and international policy.

The priority of a national government in this country at this time has to be to encourage jobs and economic growth. But the purpose of a national government in a country like ours, at any time, is to express the spirit and the nature of the country in contemporary terms.

A nation is more than its gross national product. Economic policy and economic accomplishment are essential, but so also is it essential to have a sense of the goals and purposes which make us distinctive and make us strong. I approach my remarks today in that spirit.

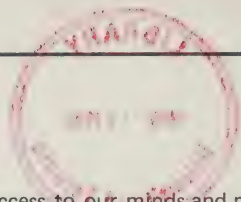
The election of a year ago was an expression both of what people wanted and what people rejected. There was an overwhelming positive desire, on the part of Canadians everywhere, for policies of national reconciliation, to bring an end to a decade or more of fruitless division among the various governments and regions of the country.

There will always be differences; they are part of the vitality of Canada. But the preoccupation with national differences, the definition of national affairs as disputes over differences, was something Canadians wanted ended. We take it as part of our mandate to rekindle a pride and awareness in what we can do as a strong whole country.

Canadians wanted their government, in our actions, to express and demonstrate real confidence in the country, real confidence in the nature of Canada, in our identity, in our future. They wanted a government that would be prepared to stand up for Canada in the world, that would be prepared to say "here we are, we are different from other countries, we are different from our neighbours, we have distinct interests of our own, we are going to express those in the world, we are going to assert those in the world".

Nations grow gradually, becoming stronger in stages. And those stages rarely change dramatically. They shade one into another, and suddenly we realize that old assumptions no longer fit.

Ten and 20 years ago, national policy assumed a vulnerability about Canada. The creation of the Foreign Investment Review Agency, the development of the national energy policy, and other programs were based upon the view that there was a certain fragility to the Canadian nature, and that our fragility had to be protected against the rest of the world.



So we restricted access to our minds and markets, instead of encouraging Canadian initiative and excellence, as we looked inward, rather than outward. Our cultural and economic competitiveness declined. Our ability to take advantage of the opportunities that beckon a country like Canada diminished. Policies that assumed we were vulnerable were making us vulnerable.

On September 4 last year, Canadians signalled that they had had enough. Instead of drawing back from the world, they wanted this country to reach out to the world, to stand strong on our own, in circumstances that, while obviously difficult, are better for Canada than for almost anyone else.

As I said last week in the House of Commons, the cost of establishing a Polar, Class 8, icebreaker is \$500 million. But neither Canadians nor this government are about to say that Canada cannot afford our Arctic. We can afford our Arctic; we can afford the risks that are involved in actively pursuing our interests; and I believe there is broad public support, indeed a broad public desire, for Canada to begin to take those positions which express the strength and self-confidence of Canadians.

What is at issue here, in this shift from a desire to draw back from the world to a desire to reach out to the world, is not a difference of party or of ideology, but of time. The country has matured. The expectations of our citizens have matured. What we can do has matured — to a point where it is now appropriate for Canada to be more assertive, both as to who we are and as to what we can do.

You will know that among the actions on the Arctic announced in the House last week was a decision that we will withdraw a restriction that a previous government had placed on having Canada called before the International Court of Justice with respect to our sovereignty over Arctic waters. That restriction was placed there in 1970, at a time when the law of the sea was much less developed than it is now, at a time when Canada's confidence in our claims was not as strong as it is now.

What has happened is not just that there is a new government in office, but that there is a new strength to our claims. Because times have changed, it is possible for us to assert, with certainty and confidence, positions that previous governments had judged they could not.

There are, of course, risks to be run. The external affairs critic of the official opposition, the Honourable Jean Chrétien made the point, quite accurately, in the House that it was both bold and risky for us to assert our sovereignty over Arctic waters. We are saying that we are prepared, if necessary, to defend our claims before the International Court, and of course there are risks to that.

But risk is the price of opportunity. If there are risks, there are also opportunities for us in adopting a more self-confident position at home, and by extension, internationally. Perhaps the most dramatic lesson I have learned, in my first year as Secretary of State for External Affairs, is that opportunities are not static. In the North, for instance, if we don't seize the opportunities that are ours now, we could well lose them as others begin to advance their own claims. The insistence on our sovereignty, then, is important both as Canadian self-expression, and as Canadian self-interest.

In Canada's North, we have no ice-breaker that can traverse those waters year round. The vessels we do

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have are not strong enough to deal with winter ice, and not fast enough to keep up with the Polar Sea. That is a situation which we didn't create and which we won't continue. As other countries develop a capacity to use our waters, to use our North, we have to acquire practical means to occupy what we claim, to exercise what we claim.

The United States and the Federal Republic of Germany are preparing actively now for commercial navigation in northern waters, which is to say in our waters. The Japanese, with a keen eye to the development of oil and gas flows from northern regions, are developing new technology and capacity in the development of tankers to carry oil and gas through northern waters. The Soviets have a submarine capacity that we would be naive to believe they are not exercising under our ice-cap, in our waters. Iceland has an ice-breaker capacity greater than our own. The Americans are showing interest, the Germans are showing interest, the Japanese, the Russians and the Icelanders are showing interest — more interest than we have often shown in waters which are ours.

For a variety of reasons, the former regime did not put us in a position to fully express and defend our sovereignty in the North. We've done that. But I don't want to confine my remarks to the urgent and important question of the North. What has been happening in northern Canada has also been happening in our international trade.

One of the reasons we have fallen behind as a trading nation has been that the rest of the world has been adapting more quickly than we have to the new factors of international trade that affect our ability to buy and sell, and consequently our jobs, prosperity and security.

We simply have not taken sufficient account of the advent of newly industrialized countries moving in to compete with us. Nor have we squarely addressed the phenomenon of rampant protectionism in the United States. One day it is hogs, the next day it is softwood timber, the day after, it is salt cod or steel.

Last year, about \$6-billion worth of Canadian exports to the United States were affected by protectionist measures. The Canadian industries concerned account for some 146 000 Canadian jobs, many of which were at risk. Good relations between Ottawa and Washington can help relieve that problem, just as bad relations could complicate it. But the point to recognize is that we are not dealing with isolated problems with hogs, and with lumber and with other specific commodities. We are dealing with a growing pattern of protectionism in the United States, and a growing competitiveness everywhere in the world.

Once again, the essential question is confidence in ourselves. Do we believe that Canadians can be as productive as the Germans, as aggressive as the Americans, as ingenious as the Japanese? And the answer is: of course we can be, because we have to be. Canadians are world leaders in telecommunications, transportation and other fields of the future. Our resource industries are respected worldwide. Canadian companies are selling micro-chips to Hong Kong, and services and commodities almost everywhere else in the world. We have the talent, the tradition, the resources to take advantage of the undeniable changes that are transforming international trade.

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I was in Thailand in July and had the opportunity at the beginning of my visit there to officiate at the opening of a joint venture between Champion Graders of Ontario and the Thai firm, ItalThai. Champion had been selling heavy equipment into the Asian market for years, when the Japanese came along and began to produce and sell similar heavy equipment at a cheaper price. Champion began to lose its markets, but instead of giving up, it fought back and entered into a joint venture with the Thais using Canadian technology and Thai manpower. Now it is exporting to the United States, as well as gradually reclaiming the markets in Asia that had been lost.

That kind of adjustment to new realities is occurring as a matter of the private policy of individual Canadian companies. But one of the realities we cannot escape is that it also has to be reflected in the public policy of governments.

The Arctic is one of our realities. Trade is another. Of the seven industrialized countries who gather in economic summits each year, only Germany depends on exports more than Canada. The US depends less on trade than we do. So does Japan. So does Britain. So do France and Italy. We must trade to grow. That is as much a part of Canada as the Arctic is — and we must see it and seize it as an opportunity.

We are a country unlike any other in the world. Many of our people came here by choice, deliberately leaving lands or regimes that gave them less freedom or opportunity. Our history is the story of making the most of opportunity.

We should learn more about history, and speak of it more. We should recognize that there are Canadian interests and Canadian options that aren't open to others and we express ourselves distinctively when we pursue them.

International affairs is normally a place for caution. But it is also, uniquely, a field where nations speak and act for themselves and reveal their nature by their actions.

We had a choice to make when the United States announced an embargo against Nicaragua, as to whether we would follow American policy or our own. We chose to follow our own.

We had a choice to make as to the role Canada would play in the troubled region of Central America. We chose a distinctive role of making use of the long and valuable tradition of peacekeeping, in which Canadians are steeped, to try to ensure that the Contadora peace process produced more than good will — that it produced an effective mechanism for ensuring peace.

We had a choice to make two weeks ago as to whether we would accept the invitation that the government of Canada participate directly in research in the Strategic Defence Initiative, an initiative over which we would have virtually no control. We decided to decline knowing full well that there would be some implications with our relations with the United States.

We also had a choice to make on the question of United Nations Educational, Scientific and Cultural

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Organization (UNESCO). That United Nations agency, it is fair to say, has strayed widely off track. So much so, in fact, that it led to governments like those of Singapore, Britain, and the United States serving notice that they were going to leave that agency. We decided that it was in our interest to use our influence from within, to reform UNESCO, and to bring it back on course.

We had a choice in the Multilateral Trade Negotiations, where there is a disagreement between developed and developing countries as to what should be discussed when the world comes together to set international rules on trade. We are one of the world's developed countries, but with unique lines open to developing countries, so we have chosen to seek common ground between the two sides. A Canadian delegation will be visiting countries in Asia and Latin America in October, trying to get agreement on an agenda that might move the world forward.

And we had a choice to make in South Africa about the means we would use to seek to bring an end to *apartheid*. We have imposed economic sanctions — stopping global export insurance; stopping Program for Export Market Development grants, ending our double taxation treaty. But we have also recognized that our membership and our standing in the Commonwealth give Canada a particular card to play. Of all the institutions in the world, the Commonwealth has more potential influence in South Africa than virtually any other, and Canada, for our part, has more real influence in the Commonwealth than in many other agencies. Here then is a major challenge of Canadian foreign policy — to identify what our particular strengths are, and to use those strengths to best effect.

We are a product of our particular traditions and geography and values. Those combine in Canada as they do nowhere else, and create a nation that is both distinct and strong. For too long we have questioned our own identity, doubted our own strengths. If there are growing challenges abroad, there is growing confidence at home, and our duty is to make the most of both.







# Statements and Speeches

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## PLEA FOR WORLD PEACE AS UN CELEBRATES FORTIETH BIRTHDAY

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Fortieth Session of the General Assembly of the United Nations, New York, September 25, 1985.

Mr. President, on behalf of Canada, I congratulate you on your election as president of this milestone session of the General Assembly. Your long career of devotion to the principles of the United Nations is recognized by this election, as well as the vitality of the democratic institutions of the government you represent.

With other spokesmen, I join in expressing Canada's grief at the suffering caused by massive earthquakes in Mexico. Around this tragedy, we have seen arising spontaneously across national boundaries a rallying of forces to complement the Mexican government's own extraordinary rescue operation. In times of such natural disasters, the world truly becomes a neighbourhood and our people extend both our prayers and our practical help. We were pleased to join yesterday in the consensus resolution adopted in this Assembly, expressing our joint solidarity with the Mexican people.

I would be remiss as a Canadian if I did not sadly recall that last week Canada and the UN lost one of our greatest soldiers and statesmen, General E.L.M. Burns. Canada was particularly proud that he was the UN's first commander of the United Nations Emergency Force and a practical architect of peace-keeping. But General Burns was also one of Canada's most thoughtful proponents of disarmament. His contributions truly embodied the best ideals of the Charter. We mourn his passing, but in reflecting on his dedication to the high principles and purposes of the United Nations we find an example that is inspiring for the years ahead.

At the age of 40, some people have what is termed a mid-life crisis. But this description does not apply to the United Nations. There may be multiple crises in the world system today, but at the age of 40, the UN is a long way from mid-life. In fact, viewed in the long range of history, the UN is still in its early years.

This perspective helps us to establish a more balanced and fairer assessment of the UN in this important anniversary year. Optimists would like to see the UN as the flowering of a world that has come together. Pessimists decry it for not having brought peace. Realists recognize that the UN has persisted in its global strategies for human security, despite the divisions among nations.

In its first 40 years, the UN has made an inestimable contribution to building a framework for a global system that responds to the technological interdependence and vulnerability of modern society. Technology has revealed the common qualities of the entire human family. Everyone wants to avoid the scourge of war. Everyone wants the opportunity for economic development. Everyone wants the guarantee of full human rights. The tackling of these common demands is the daily work of the United Nations.

If there are frailties in the UN, and there are, if there is some ineptitude, and there is, let us this year celebrate the UN's endurance and accomplishments while resolving to improve procedures.

In conflicts prevented, in disputes mediated, in the eradication of diseases, in world-wide development progress, in the saving of countless human lives, the United Nations has enriched human existence. It has done all this on a budget that is less than \$1 a year for every inhabitant of the planet.

The United Nations should not need to be defended. But it does, and I emphasize that Canada not only defends the UN but will work to strengthen it, and other parts of the multilateral system. This is the way toward the peace and the growth, the freedom and the justice, which the world needs.

The challenges facing the multilateral system reach beyond this institution. Questions are being raised about whether the world will work together, or whether nations will draw back to their individual devices. Whether the issue is debt or trade or culture, whether the nations are rich or poor, large or small, there is a renewal of doubt about the international system. Developing countries, again this week, at this podium, threatened to abandon an international monetary system they believe has abandoned them. Trade protectionist pressures are rampant, and dates are delayed for a new round of multilateral trade negotiations. Expenditures on arms increase; so does terrorism; so have regional conflicts.

If that continues, we will all be the victims. Certainly a country like Canada is imperilled if nations cannot agree on the rules of trade, or the relief of debt, or the control of arms. Twenty-four years ago 12 per cent of our gross national product was based on exports; today this figure has more than doubled. When the United Nations began, Canada was relatively unaffected by violent sectarian disputes in other countries; today we, like the world, are targets of terrorists. Forty years ago, drugs, or technology or the economic policies of other countries had relatively little direct impact on Canada; today they can intrude directly on the life of every Canadian community. So it is with all communities, in all countries. In so small a modern world, we are exposed, inescapably, to common problems, which none of us can solve alone. Instead of retreating inward, the world must reach out, not only to celebrate an anniversary, but to cope with the inescapable reality of modern times.

I renew today the commitment that successive Canadian governments have made to the United Nations since its creation from the ashes of the Second World War. Prime Minister Mulroney reaffirmed Canada's aspirations for the UN personally to the Secretary-General during his official, and very welcome, visit to Canada earlier this year. Next month, the Canadian prime minister will join many other world leaders here to proclaim anew the value of the UN.

This General Assembly, then, will be a time for remembering what has been accomplished over four decades: the virtual end of colonialism, the international recognition of human rights, a commitment to general and complete disarmament, a program for strengthening the financial and trading systems of the world, a convention on the law of the sea, treaties on wide-ranging subjects, inroads on illiteracy, advancement of the status of women.

We are particularly pleased at the consensus that was found at Nairobi, at the conference marking the

end of the decade for women. Nations of the world are now agreed on a plan of action for the advancement of women over the next 15 years. Canadians are proud of the role that our delegation played in encouraging that consensus, and our government will be seeking ways to move ahead on the Nairobi strategies. It goes without saying that the objectives of the forward-looking strategies must be fully respected by the UN itself, in the programs it undertakes, and the appointments it makes at senior levels. Less than 6 per cent of the major professional UN posts are currently occupied by women and it is clear that this institution itself has some considerable distance to go towards equity.

This session will be a time to pursue serious reform of the procedures of the UN. In the harsh Canadian winter, houses that slip into disrepair are eventually abandoned, precisely because they offer none of the protection they were designed to provide. This house of the United Nations must not be allowed to slip into disrepair.

And we must note that disrepair is showing. Divisive political issues intrude too often into specialized agencies. The agenda of the Assembly and its committees is overloaded regularly by ritual debates. Some rich countries refuse to pay their dues, while others threaten to reduce their share. The Secretary-General has courageously and repeatedly identified these weaknesses.

Changes and reforms are central to the United Nations' existence. We must restore to this distinguished Assembly the authority given to it by the Charter. We must, accordingly, review our efforts and in a systematic fashion lay out for ourselves realizable goals and objectives. We have sent Canadians to Cyprus, the Golan and other trouble spots because we want the world system to work. What Canadians have helped secure in crisis, we intend to preserve now. Delegations will be aware that Canada, with others, has been working in past months to devise and carry through a pragmatic and feasible set of measures with this purpose in mind. We will continue our co-operative efforts with all interested delegations in this search which is made doubly urgent by the critical substantive issues before us, to which I now turn.

Surveying the landscape of world affairs on this fortieth anniversary, we find no field is bleaker than that of arms control and disarmament. We must face the fact that not a single substantive agreement has come out of the multilateral arms-control process during the first half of the Second Disarmament Decade. Not at the Conference on Disarmament in Geneva, not at the Mutual and Balanced Force Reduction talks in Vienna, not at the Stockholm Conference on Confidence and Security-Building Measures and Disarmament in Europe.

But I have not come here to lament, rather to offer the encouragement and support of Canada in building a climate of confidence necessary for disarmament agreements. No matter the frustration, we must never give up in our determination to construct a world security system that depends on fewer, not more, arms. If more political will is necessary, then let us assert that political will, particularly as we move into 1986, which has been designated International Year of Peace.

In the complex process of arms control and disarmament, priorities must be set straight.



First, Canada believes that deep and verifiable reductions in the existing arsenals of nuclear weapons is the highest priority. Moving to lower levels of arms while preserving the stability of the balance at each successive stage of reduction is the only practical way to make progress. Thus we give our full support to the bilateral negotiations between the United States and the Soviet Union now taking place in Geneva. The summit meeting between President Reagan and General Secretary Gorbachev, in 55 days' time, provides an opportunity to chart a new course for the future, leading to practical steps to unlock the disarmament impasse.

Second, for Canada, the achievement of a comprehensive test ban treaty continues to be a fundamental and abiding objective. Our aim is to stop all nuclear testing.

Third, the early conclusion of a chemical weapons treaty is now within reach in the Conference on Disarmament.

Fourth, the prevention of an arms race in outer space is now on the world agenda.

Thus, we know where we are going in arms control and disarmament measures. The Final Document of the First Special Session on Disarmament in 1978 should continue to be our guide. The remarkable consensus achieved by the world community on that occasion must again be renewed as we look towards the Third Special Session on Disarmament.

The successful review of the Non-Proliferation Treaty (NPT), which concluded last Saturday in Geneva, was a significant step forward. For, by consensus, the states attending the review reaffirmed the viability and vitality of this 130-nation treaty that prevents the spread of nuclear weapons while assuring the international community at large of the benefits of nuclear energy for peaceful purposes. The international co-operation that characterized the NPT review shows that the multilateral process can and does contribute to strengthened world security.

Canada will continue to play an active role in all the multilateral forums and to strengthen our contribution to confidence-building. In this respect, Canada has devised a program of action for the latter half of this Disarmament Decade. In this program, we will step up our work in improving the verification process, so necessary to ensuring compliance with negotiated treaties.

To advance work on the verification of a comprehensive test ban treaty, we will upgrade our analytical capability in seismic research. We will improve our large seismic facility in the Canadian North. We will expand the ability to differentiate between small earthquakes and underground nuclear tests.

As part of the program of action, we will develop, and make available to the UN, practical studies on chemical-weapons use, along with Canadian specialists to investigate allegations of the use of chemical weapons.

Moreover, we will pursue a multilateral agreement to ban the possession, as well as the use of, all radiological weapons. I call on the United States and the Soviet Union to conclude an effectively verifiable treaty banning radiological weapons. Canada is ready to sign such a treaty immediately.

Details of the day-to-day Canadian work of building the foundation of treaties that will endure will be spelled out in the First Committee.

Also, the relationship between disarmament and development needs further constructive examination. A global military expenditure of nearly \$1 trillion — in the face of dire poverty, famine and destitution in many places in the developing world — is not acceptable. The Canadian people, so well represented in a widening network of non-governmental organizations, feel this discrepancy intensely. They want a world of true human security, in which there is more food and fewer weapons.

Another important lesson of our 40 years' experience concerns economic growth. We now know that the well-being of everyone depends on the financial, trade and other linkages among our economies. We understand better the challenges of the global market place. And we appreciate better the critical role that developing countries play in the expansion of the world economy.

The partnership between developed and developing countries — a partnership of shared responsibilities and commitments — must be enhanced. Canada is very pleased that consensus agreement was reached yesterday, in the Committee to Review and Appraise the International Development Strategy, on a Statement of Agreed Conclusions. This is a significant step. It reflects the serious effort made by all concerned to express the current economic realities in common language. We believe it augurs well for our future co-operation.

When we look at the problems of the developing world, no case is more poignant than the suffering of Sub-Saharan Africa. The global humanitarian response to the crisis in Africa has succeeded in saving thousands and perhaps millions of lives, but the experience of this crisis has also identified longer-term challenges.

Relief is not enough. Action for permanent development — in partnership with the African nations — is essential. African governments must resolve to give a priority to the agricultural sector and to unleash the productive forces in their own societies. This effort must be matched by a real and sustained commitment by developed nations and indeed the entire international community. The African crisis will not end until the valiant efforts to relieve the tragedy of today are buttressed by a sustained commitment to building the Africa of tomorrow.

The heavy external debt, which afflicts so many countries, is another crippling burden in the developing world. Some progress has been achieved in dealing with the debt situation, thanks to co-operation among creditor governments, debtor countries, commercial banks, and international institutions. The strategy of adjustment, financing, and rescheduling has demonstrated an impressive flexibility in helping debtors. But more adaptation is needed to meet the special needs of debtor nations.

Deliberations in the UN help in fostering a better understanding of these economic problems and further the activities of various international institutions dealing with them. The International Monetary Fund and the World Bank have played a key role in this regard. We should ensure that they can and will continue to do so, taking due account of the particular problems facing individual states. The strains

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facing the multilateral economic system and its leading institutions must be dealt with. Bilateral relations between countries on the one hand, and the multilateral system on the other, ought to be mutually complementary and reinforcing.

Similarly, protectionism, which threatens the prosperity of developed and developing countries alike, must be resisted. The industrialized countries must keep our markets open to Third World products if the developing countries are to maintain the export earnings necessary to service their external debt and to improve living standards. All of us will lose if our borders close. All, therefore, have an important stake in ensuring that the multilateral trading system remains open and healthy. That is why Canada has been at the forefront in calling for a new round of multilateral trade negotiations — and why we have been working to liberalize trade and resist protectionism in many other ways.

By joining in the preparations for a new trade round now, the developing countries can be joint architects of a revitalized General Agreement on Tariffs and Trade system. Canada is anxious to work with the developing countries to identify areas of common interest which could be pursued in the next round.

Economic development is critical, but its benefits will only be fully realized and enjoyed if the member states of the UN co-operate together in a concerted plan to tackle the pre-eminent social and human rights issues of our day.

Illicit trafficking and abuse of narcotic and other drugs is a major social challenge on every continent.

I am pleased that the UN has set out a plan of action in this vital field. Last year, Canada joined others in co-sponsoring a resolution which set in motion the drafting of a new convention to combat the illicit drug trade. It constitutes a key element in current international efforts to deal with this social problem. The convention must aim at strengthening enforcement measures against illicit drug trafficking.

We welcome the Secretary-General's proposal for the convening of a drug conference in 1987 at the ministerial level. We commend the link it makes between initiatives needed to cut down on the supply of illicit drugs and the steps required to reduce demand. We will be working actively with other interested countries to develop a resolution to carry this idea further forward at this session.

Forty years ago, the Charter made the rights and freedoms of all persons a matter of legitimate concern to the whole international community. The Universal Declaration of Human Rights itself is nearly four decades old. Yet our work has only just begun. As the Secretary-General notes in his current report: "Massive violations of human rights continue to take place, often of tragic proportions."

We must, therefore, expand the frontiers of UN activities in the human rights field. This will entail completing the work on the Convention on the Rights of the Child, ensuring that the new Convention Against Torture is properly implemented, extending the Commission's program of advisory services, encouraging other countries to offer technical assistance in the human rights field, assisting the Working Group on the Disappeared. Moreover, the UN must continue to focus attention on the fate of prisoners



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of conscience, ensure that the disabled are not deprived of their basic rights, protect the special interests of indigenous populations around the world, and take steps to protect the rights of those who themselves promote human rights.

I cannot fail to take note of the wide range of political confrontation and open warfare that so lamentably haunts this planet from Asia, to Central America to the Middle East. We will have ample opportunity to approach these issues as this Assembly goes about its business. In my view, however, South Africa presents a situation which challenges the world community like no other. It is the most striking example today of what can happen to a country when human rights are systematically violated and abused. It is not the only country where discrimination takes place on the basis of race; much less is it the only country to deny the great majority of citizens access to the political process.

But it is the only country where racial discrimination is a first principle of state policy. Human rights violations are written into the Constitution, and the majority are denied their political rights because of the colour of their skin. We are all cast down by the lives lost and the people injured, by the repressive measures undertaken by the authorities and by the harsh and callous pressure applied to those who campaign against *apartheid*.

The pity and shame is that this rich country of enormous human and natural potential could contribute so much to the continent of which it is part. Instead, its unconscionable violation of fundamental human rights does not stop at its borders.

But the South African monolith has been shaken. Demonstrations, strikes, and acts of resistance against the regime are widespread. Economics have proven to be an engine of change. A wave of disinvestment has taken place and the exchange rate on the *rand* has dropped significantly.

The message in all this is clear: 40 years after the UN Charter came into existence and 35 years after the Universal Declaration of Human Rights was promulgated, change must come to South Africa, *apartheid* must be dismantled. Measures to make all South Africans equal within their state must be pursued to the end.

Nor can we ignore Namibia. Not only does South Africa hold this territory in gross violation of United Nations' wishes and international law, and uses it as a springboard for attack on its neighbours, it perpetuates its oppressive practices in that emergent land. Such contempt and continued denial of justice cannot be tolerated by the international community. The community of nations must continue to pressure South Africa to change its offensive policies.

Canada has acted steadily and deliberately to add to the pressure for change. We hope that the response of South Africa will allow economic and diplomatic relations between our two countries to continue, but that will require real progress against *apartheid*. We are consulting and co-operating with our friends in the Commonwealth, in the Front Line States and elsewhere, to find the most effective means to end a system which is repugnant to Canadians.

In yet another growing violation of civilized conduct, terrorism must be dealt with in more detail by the UN. As we Canadians have learned in the past year, terrorism is a menace to which no nation is immune. At this Assembly, we shall actively seek new ways, through new international instruments if necessary, to deal effectively with this scourge. Canada, already a party to all the international air security conventions, will ratify the UN Convention Against the Taking of Hostages. We were heartened that the Seventh UN Congress on the Prevention of Crime supported the efforts of the International Civil Aviation Organization to promote universal acceptance of, and strict compliance with, international air security conventions. The international community has shown that it has the political will to act.

Finally, Mr. President, let the fortieth anniversary of the United Nations be remembered as a time of a united call for the peace that will come from effective disarmament and economic development for all.

An organization that embodies the cry for peace of "we, the peoples of the United Nations" cannot be irrelevant now or 40 years from now. The gravity of the threat to global survival must be matched by the intensity of our efforts to build the conditions for lasting peace. The peoples of the United Nations have the right to expect to find their hopes fulfilled by the actions of every government that takes this podium.

We know that the challenges are huge; we will not be daunted by them. We know that the problems are infinite; we will not be intimidated by their complexity. We know that international relationships are frayed; we will not be deterred in our search for their repair.

To put it simply, Mr. President, Canada, along with all other sovereign countries of good faith, will use the United Nations to pursue indomitably, the quest for peace, security, and social justice.



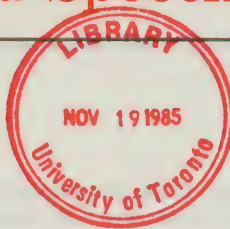
# Statements and Speeches

No. 85/11

CAI

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## CANADA/USA TRADE NEGOTIATIONS

Statement by the Right Honourable Brian Mulroney, Prime Minister, to the House of Commons, Ottawa, September 26, 1985.

Mr. Speaker, I rise to inform the House and the country that I have today spoken to the President of the USA to express Canada's interests in pursuing a new trade agreement between our two countries.

We hope that this action will lead to negotiations for a new trade agreement between the USA and Canada. I have asked the President to explore with Congress their interest in pursuing these negotiations. Both sides recognize that the issues are complex. Both sides are determined to see the process move as expeditiously as possible.

The President and I will be meeting in the spring of 1986 to review progress as well as the prospects for a new agreement.

Honourable members will recall that at Quebec City six months ago, President Reagan and I made a declaration on trade in goods and services. We pledged to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade. We instructed the Minister of International Trade and the President's trade representative to report on how trade could be enhanced between our two countries. Today I indeed will table the minister's report to me on this vitally important subject and it will surely be made public.

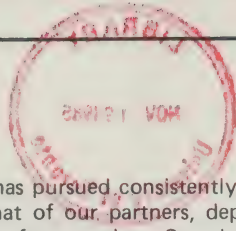
Throughout our history, trade has been critical to Canada's livelihood. Now, almost one third of what we produce is exported. Few countries in the world are so dependent on trade. And trade simply means jobs. And yet our share of world trade has been declining. This trend ultimately threatens the jobs of many Canadians and the living standards of the nation as a whole.

We must confront this threat. We must as a nation reverse this trend. To do so, we need a better, a fairer, and a more predictable trade relationship with the USA. At stake are more than two million jobs which depend directly on Canadian access to the USA market.

Five decades ago the world was in the midst of the Great Depression. Restrictive trade policies made things worse. Canada and the US were the first to respond to the strong protectionist pressures of the time. They began the process of tearing down these obstacles to growth. Canada and the US indeed concluded a bilateral trade agreement in 1935.

More countries joined them in 1938 and the principles underlying the Canadian-American bilateral agreement formed the foundation of the postwar multilateral trading system.





For half a century Canada has pursued consistently a policy of trade liberalization. Today more than ever, our prosperity, and that of our partners, depends on an expanding world trade and a growing world economy. In all of the forums where Canada is present, we are working to remove impediments to trade, aid, investment and development on a global basis.

In particular we are playing a leading role in promoting and preparing for a new round of multilateral trade negotiations in the General Agreement on Tariffs and Trade (GATT). We are consulting the less-developed countries on issues of common concern; and we emphatically support their participation in the negotiations.

No responsible person anywhere today advocates protectionism as a national economic strategy. Yet, sector by sector, region by region, country by country, Canada included, there persists the impulse to protectionism, whenever the going gets tough. Protectionist measures are always advocated as exceptional cases. But the barriers grow more numerous, more ingenious and more insidious all the time. Sometimes these measures are aimed directly at Canadian products or services; often they are aimed at others, but catch us in the process.

The motive may be laudable. The effect may be incremental. But in any over-all reckoning, protectionist measures are always self-defeating. This impulse to protectionism is defensive and negative — yet entirely understandable in human terms. This is what we are up against.

Economics, geography, common sense and the national interest dictate that we try to secure and expand our trade with our closest and largest trading partner. To do so is fully consistent with our commitment to freer trade on a multilateral basis. Of course any new agreement between Canada and the USA would have to meet the test of our overriding obligations under the GATT.

Five decades ago, national governments turned inward to shield their peoples from economic distress. Ultimately, protectionism proved suicidal. It brought on the Great Depression with all of its attendant misery.

The government will be pursuing clear goals in our talks with the USA. We are two sovereign democracies, sharing the same continent and reaching out with maturity and strength to seek out ways of enhancing mutually beneficial trade goals is an honourable course of action.

The need to secure our access to the USA market was the dominant theme of representations made in all parts of the country to the Minister for International Trade during his extensive consultations during last spring and summer. The same message was heard by the Senate-House of Commons Committee which reported in late August. Honourable members will have taken note of the conclusions of the Macdonald Commission together with, I think, its impressive analysis and documentation.

Canadians will also be very aware of the strong representations on trade which have been made by their provincial premiers over the past several months. I have taken care, and shall continue to take special care, as I did this afternoon by speaking personally with all of the provincial premiers in advance, to

consult with my fellow first ministers on an ongoing basis, as the process unfolds. To that end, I have placed this major issue on the agenda at the meeting of first ministers in November. The government will also arrange, if possible, a debate — a full debate — in this House on the subject of trade at a time agreeable to honourable members.

We must all be aware that international negotiations are complex and extremely challenging. Success is not a sure thing but the results of success are well worth the enormous effort and good faith required for these negotiations.

Moreover, we have already agreed to establish a special mechanism with the provinces, to assure their continuing involvement throughout the process. To support Canada's negotiating effort, the Minister of International Trade is as well creating a new consultative arrangement with business, labour and other groups.

I emphasize that we are beginning a process of purely commercial negotiations with the USA, the results of which would provide sufficient time for all Canadians to plan ahead to take advantage of new opportunities which come with enhanced access.

We seek to negotiate the broadest possible package of mutually beneficial reductions in tariff and non-tariff barriers between our two countries.

I accept the words of prudence coming to us from some quarters, indeed some quarters of this House on this subject. I accept those words and I respect them. We understand the natural concerns of various sectors and regions that their interests as well be recognized both in the negotiations and in any agreement. And this of course shall be the case.

There is I think general consensus, however, that we must seek to secure and improve our trade with the USA. To shrink from this challenge and opportunity would be an act of timidity unworthy of Canada. It would be contrary to our national interest.

Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character — these are the essence of Canada. They are not at issue in these negotiations. They will be at all times in a Canada made more confident and prosperous from a secure and dynamic trade relationship with our biggest customer our close friend and with all the world.





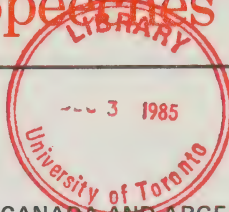


# Statements and Speeches

No. 85/12 CA1

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## NEW PERSPECTIVES OF CO-OPERATION BETWEEN CANADA AND ARGENTINA

Remarks by the Right Honourable Joe Clark, Secretary of State for External Affairs on the Occasion of the Official Dinner in Honour of Argentine Foreign Minister Caputo, Ottawa, September 30, 1985.

...I am convinced, Mr. Minister, that our two countries have much to learn from each other. Your visit occurs at a particularly opportune time. It enables us to specify the framework in which we would like to see the development of bilateral relations between our two countries. The political force that is accorded today to these relations consolidates the efforts already undertaken and opens new perspectives of co-operation.

An important element of this process has been personal contact between ministers and senior officials of both our governments. Indeed, last week, we were pleased to welcome to Canada, slightly in advance of yourself, your Energy Minister Storani, who was accompanied by an impressive delegation of senior Argentine officials and businessmen. A further significant step was the meeting of the Canada-Argentina Committee on Economic and Industrial Co-operation which was held in Buenos Aires, August 20-22. Although this was essentially a meeting of officials from both our countries who had come together for the first time to build a new dimension to the relationship, I am very pleased with the progress achieved and, particularly, with the new areas of co-operation which were identified. These cross a broad range of issues, from preparations for the forthcoming multilateral trade negotiations to the identification of specific trade projects. In this regard, Mr. Minister, I want to underscore the importance which the government of Canada attaches to these consultations and to express our gratitude for your personal interest and involvement which made a significant contribution to its process.

Our discussions today identified two particular issues of common concern and interest — the peace process in Central America and the difficult financial crisis currently confronting so many countries of the region.

As countries from the Western hemisphere, both Canada and Argentina have been extremely supportive of efforts to bring about a lasting peace in Central America. In this regard, I would like to congratulate Foreign Minister Caputo for his dynamic role in the very positive and timely step taken recently by Argentina, together with Brazil, Peru and Uruguay to establish a Contadora support group. Conscious of the many difficulties and frustrations which have beset the Contadora countries [Venezuela, Colombia, Mexico, Panama] in their search for a peaceful settlement in Central America, they have in this way reinforced the moral and practical authority of Contadora at a critical time.

As you know, Canada continues to regard the Contadora process as the most appropriate instrument which could create a framework within which reconciliation, and a return to stability in Central America may be possible. I use the word "appropriate" advisedly. Contadora is an appropriate mechanism because it is an indigenous Latin American initiative designed to address a problem in Latin America.

As I indicated in the message which I sent to you and your colleagues on the occasion of your founding meeting in August in Cartagena, we welcome this fresh and timely example of key South American countries providing solidarity behind the Contadora process. I believe it is no coincidence that, soon after this meeting with your Contadora colleagues, genuine progress was made at the Contadora meetings with the five Central American countries which recently concluded in Panama.

Canada is, of course, far away geographically from Latin America. I make this rather obvious statement to explain why our position is that of supporter not leader in the search for peace in Central America. But as a part of this hemisphere we must acknowledge a responsibility to be constructive where that is practical and where it is welcome. This clarifies, in part, why our support for Contadora has been much more than simply rhetorical. I have made it clear that, if invited, Canada would make available to the Contadora countries our expertise and our advice on verification and control. The invitation was forthcoming and Canada has provided detailed comments on four occasions and assistance to the Contadora countries in the design of the verification and control mechanism.

I repeat to you Mr. Minister, as I did to Mr. Sepulveda, the Foreign Minister of Mexico only last week in New York, that Canada remains prepared to provide any further advisory assistance in this field which may be helpful.

Our preoccupation with the crisis in Central America and our willingness to help has manifested itself in other ways. Consistent with the spirit and objectives of Contadora, Canada maintains its development assistance commitments to Central America. This we are doing despite austerity and the inevitable shrinkage of budgets. In recognition of the very positive steps which have been made in El Salvador, particularly under President Duarte, toward the development of a genuine democratic process and the significant reduction of human rights violations, Canada has restored its aid program to that country. In the difficult circumstances which still prevail in El Salvador, the central focus of our aid will be humanitarian. Our projects will involve non-governmental organizations and will be especially directed to displaced persons.

In Nicaragua Canada has actively supported the efforts of one of the associations of indigenous peoples, the Misurasata, to work out a satisfactory *modus vivendi* with the government in Managua which would enable them to return to their traditional homelands in peace and to protect the integrity of their culture.

Canada has repeatedly expressed its continued concern about the related issues of human rights, displaced persons and refugees in Central America. We have steadily increased the number of refugees we have taken from this area. Last year Canada accepted 3 000 of these persons and this year a similar number will be accepted.

With respect to the international debt situation, I am very conscious of the economic difficulties that Latin America is confronting. We in Canada have followed closely the development of President Alfonsín's economic policies and I want to express my admiration for the courageous steps that the Argentine government has taken to deal with an economic situation that would pose a challenge for

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any elected government. We see these actions as confirmation of the kind of leadership that all of Argentina's friends hoped would be realized with the inauguration of President Alfonsín.

You are a most eloquent spokesman on the challenges facing the world in dealing with the debt situation. I would like to assure you, Minister, that Argentina should not believe that it faces its future alone. The implications of this situation for the region and for the global economy have preoccupied Canada since 1982. Canada has been and will continue to be actively involved in multilateral efforts with a view to ensuring that the over-all approach will be realistic, flexible and appropriate to the circumstances.

I do not want to review tonight the origins of this problem, nor to attempt to assign blame. There is plenty of responsibility to be shared. Our task now is to continue to co-operate to achieve a more encouraging future.

While we have made considerable progress in dealing with debt servicing problems in no small degree as a result of courageous adjustments of debtor countries, there is no room for complacency. The external economic environment is less favourable now for the necessary adjustment effort. In your speech at the United Nations last week, I noted that you made a very important observation which you also underlined in our discussions here in Ottawa. You said: "it is impossible to conceive of a stable situation in which austerity would not be accompanied by growth, or at least the hope of growth". Canada wants to work with others to ensure an effective international response to that hope.

Considerable co-operation among debtor and creditor governments, banks and international institutions will be essential. The case-by-case approach remains valid. The International Monetary Fund (IMF) and the World Bank must continue to play a key role in strengthening financial flows. However, the international community must consider ways to strengthen this approach.

First, industrialized countries must pursue policies to foster sustained economic growth and lower interest rates. In Canada's view, further progress in reducing the US budget would be helpful. Other industrialized countries which are in a position to do so must act to help compensate for a slowing US economy.

As a trading nation, Canada is crucially aware of the dangers of protectionism to its own prosperity and the threat to debtor nations. Therefore, industrial countries have a responsibility to resist these pressures. In view of the mood of the US Congress, this is a major challenge for us all. As part of this effort, I urge you, Mr. Minister, to consider carefully how you and your Latin American colleagues might work towards an early start to a new Multilateral Trade Negotiations round.

I believe we should also work to strengthen the role of the World Bank and the co-operation between the Bank and the IMF. Both institutions must have adequate resources and policies to continue to play an effective role in dealing with the debt and adjustment problems of developing countries by strengthening the prospects for financial flows. Greater attention should now be given to the role of the Bank. In the annual meeting of the IMF and the World Bank, Canada will be seeking consideration

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of the resources for the Bank and the need for greater flexibility in its lending activities. We hope these will lead to concrete results.

Finally, I need hardly underline the important role that sound economic policies in debtor countries will play. For a country with an impressive economic base and hard working population like Argentina your actions obviously reflect the view that national policies will be critical for the return of confidence of lenders and investors.

I am under no illusions that measures to deal with the debt and adjustments will be controversial among developed and developing countries. Canada wishes to play a constructive role in existing fora where these problems should be considered and strongly supports bilateral and multilateral dialogue. I agree with what you said in New York at the United Nations that we should not let a general debate impede the exploration of concrete and workable solutions. For that reason, I welcome this opportunity to discuss these matters with you, Mr. Minister. Exchanges of views on these important issues should facilitate our joint search for more enduring solutions to debt-related problems and lay a basis for a global consensus on these very difficult issues.

Mr. Minister, we have had fruitful discussions. We share common ideals as well as common concerns and have identified common goals. For two countries at opposite ends of the hemisphere, we have more in common than one would think. The potential is there to move forward and to significantly develop our bilateral relationship. Your visit has established what I hope will be a continuing dialogue and I look forward to working together with you in expanding and enriching our ties and in seeking solutions to the major issues now confronting us...

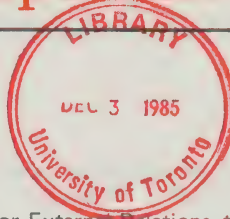
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# Statements and Speeches

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## A TIME FOR REDEDICATION TO UNESCO

Address by the Honourable Monique Vézina, Minister for External Relations, to the UNESCO General Conference, Sofia, Bulgaria, October 21, 1985.

...Canada's commitment to the ideals and the mandate of UNESCO [United Nations Educational, Scientific and Cultural Organization] is unaltered. We need a UNESCO. The world needs a UNESCO. It represents a key element in the UN system. Today though, UNESCO is somewhat representative of the general state of affairs in the UN. It has been called a "test case" for that system and for its reform, and so it is. Its rapid growth in membership — at 160 member states, it is now one of the largest specialized agencies — has ended the automatic majority of Western countries.

Its emphasis on financial discipline and restraint has been an indispensable factor in the process of reform. UNESCO's role as the intellectual arm of the UN system remains unique and valuable. But like other parts of the UN family, its programs have gradually taken on a new dimension — to accommodate the needs and aspirations of developing countries. In the case of UNESCO, this has meant extending additional technical assistance and development aid. While this flows directly from UNESCO's intellectual concerns, and while I, as minister responsible for Canada's co-operation programs, am quite aware of the needs in this area, it has unfortunately led to diffusion and fragmentation. UNESCO has perhaps responded too easily and too uncritically to requests from member states.

In the vital area of public perception, UNESCO has not done as well as other agencies in the UN system. The media in much of the world have treated it severely, and sometimes, unjustly. The allegations have perhaps been exaggerated, although press reports, at least in Canada, have been a little more positive of late, in recognition of the genuine progress that is now starting to occur in this organization.

But the fact remains that the crisis is still serious. UNESCO still does not enjoy the complete confidence of some members, certainly not of some of its major donors. UNESCO is not alone among intergovernmental institutions in facing problems. But UNESCO's problems are more visible. We need to improve its performance, to show that it can do its job and that its job is worth doing.

We are all in this together. Can we rededicate ourselves to the original ideals of UNESCO? Can UNESCO concentrate on areas of undeniable need which also command widespread support? Can it reduce overlap with other multilateral bodies? Can it respond to the challenge of zero real budgetary growth by weeding out less crucial activities in order to increase its effectiveness and credibility? In short, can reform succeed, and how quickly?

It is no easy task to alter policies, attitudes and traditions that have developed over 40 years. It is particularly painful for an organization of 160 member countries. Nor is it easy for UNESCO to approach its work in a less political, more responsible fashion. Organizations of governments are political by nature. What we ask is not whether, but that UNESCO eschew, sterile ideological controversy.

In Canada's view, the reform momentum is now on track. It is engaged. We hope it is firmly engaged.

For example:

- the draft program and budget for the next biennium represents a great improvement over previous such documents;
- it is based on the principle of zero real growth with no increased assessments attributable to the withdrawal of member states — a key achievement in Canada's view;
- greater precision and discipline in program and budget presentation are evident throughout;
- there is more program concentration yet more decentralization of activities;
- a central evaluation unit has been established and evaluation procedures are showing signs of improvement;
- the temporary committee's recommendations on administrative, financial and managerial reform — and a timetable for their implementation — will or should produce changes all member states will welcome and support. (My government applauds in particular the proposal to establish a mechanism to follow up the implementation of the reform measures.)

But the reform is not entrenched and much more hard work lies ahead. Further substantive changes will be required in the next biennium. They must be reflected in the next medium term plan, which will chart UNESCO's direction into the mid-Nineties. It is a key element in ensuring that UNESCO will evolve and set itself on a more constructive course — for the crisis in UNESCO is not simply a product of "middle age" doldrums. It is visibly a product of past cumulative neglect on the part of many members, a group from which I do not exclude Canada. It needs renewal, a reinvigoration of energy and commitment by us all.

There is broad agreement, I think, that we need to craft a very different kind of medium term plan for 1990 to 1995 — one that charts a general course, with options, towards stated objectives; a flexible plan that allows for change under the guidance of the executive board; and one that facilitates the need for further concentration in the core areas of UNESCO's competence. This would no doubt go a long way to guarantee UNESCO's future vigour.

The executive board has a clear responsibility to provide firm leadership and guidance in the quest for renewal. Recent meetings of the board have provided evidence that it has the capability to act like a governing body. The compromise recommendation to this conference on the draft program and budget for 1986-1987 was the result. It was adopted by consensus. That consensus was hard won, but it is very fragile; some would say, in an increasingly precarious state. Canada will work to preserve the consensus. We are not completely satisfied with the contents of the compromise package, nor, I know, is any member state. But it is our view that the extent of the improvements which this package represents signifies that change is achievable.



I said earlier that we were realistic and pragmatic in our expectations for the outcome of this conference. I believe that if the consensus holds, if the conference ratifies the draft program and budget along the lines of this set of actions, and if the next biennium unfolds in this direction, UNESCO's future will be more assured.

The Director General and the Secretariat have been helpful and co-operative in facilitating change. They have provided the executive board with a solid foundation on which to base its recommendations. The 23 C/5 represents a massive improvement over previous 23 C/5s, for example. The Director General and his staff merit our congratulations.

I am sure that the public scrutiny of the past few years and the internal turmoil to which the organization has been subject have been wrenching. The drive to efficiency and economy, after all, means doing more with less. The Canadian government, and I would venture most governments, is faced with the compelling need to reduce the size of our bureaucracy and maintain or enhance the effectiveness of our programs. This is a world-wide phenomenon and the multilateral system cannot remain unaffected.

But it is not enough to place all the responsibility for reform of UNESCO on the board, the Director General and the Secretariat. It is the member states which are UNESCO — which run UNESCO — and it is for us to take the hard decisions. This means accelerated co-operation among and across all the regional groups. It means that moderation and good sense must prevail. This in turn requires compromise and the realization that 1985 — this conference — is the beginning of what must be a long but steady process towards revitalization.

Nonetheless, 1985 is a critical year in the evolution of our organization. Reform cannot not be achieved overnight. Nevertheless, several governments — including my own — have stated that they will review their status in UNESCO following this meeting in Sofia, after the results can be analyzed and conclusions drawn.

The fact is that the end of 1985 is a make or break period. Either the current crisis will be defused and the way cleared for substantial reform on which to build further — or the crisis will deepen. The compromise resolution which the board has asked conference delegates to ratify is a considerable achievement. This conference must now take the decision as to whether it represents a sufficient start towards genuine reform, pointing the way to further improvements during the next two years.

Many countries, East and West, North and South, take the view that major program 13 on human rights, and to a lesser degree, major program 3 on communications, are key indicators of success. Need I say that the large majority of UNESCO activities are very worthwhile — although some are not administered as efficiently as we would like. They essentially carry on without controversy. The politicized issues relate to only a few programs but these assume an importance disproportionate to their cost. The structure and content of parts of programs 3 and 13 have thus been the object of great attention, by member states and by the media.

For our part, we are encouraged that the divisiveness of the debate over a new world information and

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communication order has been relaxed by the practical co-operation which characterizes the work of the international program for the development of communication, in meeting the real needs of developing countries.

The essential outlines of the human rights, peace and disarmament program are still somewhat unfocused, I admit. Agreement by the board on its main principles was difficult. Harder still was the task of setting priorities for actions to give effect to these principles. More work is required in this area before we can be certain that it will be a process that evolves so as to match Canadian interests and correspond strictly to UNESCO's mandate. For example, Canada agrees — although with some reservations — that program 13 might include a seminar to examine the contentious issue of the link between human rights and the rights of peoples. This is a necessary step towards the proper understanding of human rights in its individual and collective dimensions. The proposed meeting should take into account the work done and the difficulties encountered on this issue by other UN bodies.

In further support of what I said earlier concerning the usefulness of UNESCO's activities, I want to underline the importance Canada attaches to the organization's endeavours in the fields of science, of status of women, and of education.

Looking just at the major programs in the sphere of education — adult education, literacy programs, democratization and improvement in basic education, equalization of access for girls and women, education of the handicapped, and so on — Canada has participated actively in defining these programs, and supports them with enthusiasm. I would like to mention in passing that Canada is a candidate to the governing councils of the International Bureau of Education, the World Heritage Committee, and the International Hydrological Program.

Canada also believes that reform means compressing and at the same time strengthening UNESCO's programs, not only to match its reduced financial circumstances but also to ensure its future vitality. We understand that expenditure cuts may at first be seen to conflict with the aspirations of some countries. However, the entire executive board has shown its desire to deal maturely with this conflict by adopting a compromise solution and putting it forward in good faith. They believe that UNESCO needs to work better and that it can be improved. Canada has an important stake in its proper functioning and so we shared in the consensus.

As one speaker here has said: "this consensus was built on sacrifices on every side . . . . We will not go back . . . on our concessions because it is a matter of integrity." Canada is of the same mind. Let me, on behalf of Canada, say this: we will take pains to see that the compromise, adopted by consensus by the executive board in Paris and expanded as necessary in Sofia, is protected in our debates here. The compromise is not perfect. But one could not reasonably hope for more at a time when the process of reform is scarcely under way.

Canada has worked hard to help bring UNESCO this far, to show that the test case can be won. If we fail to maintain, indeed accelerate, the existing momentum for reform, the loss will not be confined to UNESCO. The United Nations family as a whole will suffer. If we succeed, it augurs well for the future of the multilateral system as a whole — and for continued international co-operation in all of UNESCO's areas of expertise. The next few weeks will be exciting. I wish us all good luck.



# Statements and Speeches

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## PRINCIPLES OF UN CHARTER SIGNPOSTS TO PEACE

Statement by the Right Honourable Brian Mulroney, Prime Minister, to the United Nations General Assembly, New York, October 23, 1985.

Mr. President, I would like to speak with you today about people and nations working together.

History shows that the solitary pursuit of self-interest outside the framework of broader international co-operation is never enough to increase our freedom, safeguard our security, or improve our standard of living.

Since 1945, we have not had a world war. But we have lived for decades under the threat of an ultimate catastrophe, one which would unleash immeasurable forces of destruction. The same human genius which conquered outer space has also wrenched from nature the secret of devastation.

In our search to create, we discovered the ability to annihilate. Anxiety has become a fact of daily life. It can be seen in the arts; it permeates political activity; it alters social structures; it shapes mentalities.

How can we help but fear our adversaries, when they too are equipped with an inventive and lively intelligence, when they too have mastered the destructive power of the atom, and above all, when they are filled with the same fear that so preoccupies us — a fear exacerbated by the fact that the strong must also be wary of the anger of the weak. We have even gone so far as to institutionalize fear, to the point that peace itself is based on a balance of terror.

Can we blame the UN for having been unable to put an end to the vicious cycle of force and fear, of injustice and violence? In my view we cannot blame the UN for problems that have been caused essentially by self-centred nationalism and our own failures. We must not make the UN a scapegoat for our inability to recognize and accept diversity in the world. We must not blame the UN for weaknesses that result from its being a mere human creation.

While the UN may seem powerless in the face of the circumstances that confront it, it is nevertheless all we have. The men and women who created this organization in 1945 hungered for peace and justice and were guided by high principle. They sought to create a global forum where they could voice their hopes and fears, their dreams and regrets.

In this organization, nations have the opportunity to bring reason to their relations, to break the chain of violence, to defuse the lust for revenge, to voice their needs, and to affirm their dignity. And, in the end, to realize the extent to which they share membership in the same species.

In the end, we must always return to consideration of humanism. Humanism generates and shapes



international consciousness, cultural development, economic development, and the respect for those values that form the basis of our perception of the world.

The UN was created by man, and is therefore fragile. For this reason, I do not believe that it is completely appropriate to talk about celebrating one particular anniversary of the UN; rather, we must celebrate its existence every day, for it is threatened every day, and it must be protected every day.

Since 1945, we have all recognized the threat presented by catastrophic weapons of war. That threat goes beyond our individual concerns as peoples and nations. It commands the attention of all; it calls for urgent action by the entire international community.

Mr. President, 40 years ago, the Charter called on the world "to save succeeding generations from the scourge of war". Today, we struggle to save life from nuclear apocalypse. We have some cause for hope. In their meeting next month in Geneva, President Reagan and Secretary-General Gorbachev may set us on the road to a significant reduction in the arsenals of both sides. To diminish the spectre of annihilation, the superpowers must reach for an agreement — but the responsibility is not theirs alone.

All of us, through international forums and treaties, have a role to play in arms reduction. We must reinforce negotiations for verifiable disarmament accords on testing and weaponry, both conventional and nuclear. Individually and collectively, we must all do our part. Progress is possible. The recent successful review of the Non-Proliferation Treaty gives credence to that.

Canadians recognize that there is no greater goal, no more compelling duty than the quest for peace. We shall not rest until our security can be assured without tens of thousands of nuclear weapons. Above all, we shall not rest until we have secured the future for our children.

Mr. President, 40 years ago, the peoples of the world were united in the hope that human rights could become subject to universal standards. Forty years later, some countries apply these standards only in part, and a few — sadly — hardly at all. In this respect, South Africa stands alone.

Only one country has established colour as the hallmark of systematic inequality and repression. Only South Africa determines the fundamental human rights of individuals and groups within its society by this heinous method of classification. This institutionalized contempt for justice and dignity desecrates international standards of morality and arouses universal revulsion. That is why, at our meeting in Nassau just concluded, Commonwealth leaders agreed on a course of common action against South Africa.

And the crescendo of pressure is having an impact. Already, the opposition of the business community to *apartheid* is unprecedented. The combination of internal dissent and external condemnation is obviously taking its toll on the government. The Mandelas, the Tutus, the Boesaks will one day prevail.

It is our hope — and it must surely be the hope of all — that bloodshed and violence will cease in the transition to a free and democratic society. It is our hope — as it must surely be the hope of all — that the Republic of South Africa will come to its senses before it is completely engulfed by the shockwaves of violence.

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My government has said to Canadians that if there are not fundamental changes in South Africa, we are prepared to invoke total sanctions against that country and its repressive regime. If there is no progress in the dismantling of *apartheid*, our relations with South Africa may have to be severed absolutely. Our purpose is not to punish or penalize, but to hasten peaceful change. We do not aim at conflict but at reconciliation — within South Africa and between South Africa and its neighbours.

The way of dialogue starts with the repudiation of *apartheid*. It ends with the full and equal participation of all South Africans in the governing of their country. It leads toward peace. If it is not accepted, the course of sanctions will surely be further pursued. Canada is ready, if there are no fundamental changes in South Africa, to invoke total sanctions against that country and its repressive regime. More than that, if there is no progress in the dismantling of *apartheid*, relations with South Africa may have to be severed absolutely.

Forty years ago, emerging from the ruins of global conflict, the world was in economic upheaval. Today, though we have made enormous gains, hundreds of millions are caught in desperate economic circumstances. Over the past several weeks, from this dais, heads of state, heads of government and foreign ministers have eloquently described their circumstances, ranging from crippling burdens of debt and blighted prospects on the one hand, to the menace of protectionism on the other.

Canada is pressing, urgently, for a new round of multilateral trade negotiations. We are seeking to liberalize further our own trading relationships with our largest partner, the United States of America. We are working actively to strengthen the capacity of international financial institutions to ease the paralysing burden of Third World debt and permit resumed growth. We are increasing our aid.

The international mobilization and delivery of aid show dramatically what immense good can be done when governments and citizens together, recognize crises and act with concerted determination aided by organizations such as the UN and its agencies. If, collectively, we have managed to save whole populations from starvation — and we have — then surely in the same spirit we can improve our performance in easing the international economic predicament.

Forty years ago, there was another blight upon this earth that took an incalculable toll of human life: remorseless epidemics of diseases. Over the intervening decades, we have made huge strides in discovering cures and in combating those diseases. Today we stand on the threshold of another dramatic breakthrough.

UNICEF [The United Nations Children's Fund] and the World Health Organization have set 1990 as the target for world-wide, universal immunization. If the target is reached, the lives of as many as five million infants and children will be saved every year. We have eradicated smallpox; through universal immunization, we must now do the same with diphtheria, measles, polio, tetanus and whooping cough.

Universal immunization is an astonishingly efficient health investment. On the eve of the Commonwealth Conference last week in Nassau, I confirmed Canada's commitment to this goal and announced a significant increase to Canada's international health care efforts. Canada will continue to collaborate

with UNICEF and the World Health Organization as they co-ordinate this inspiring campaign. For us, the goal of mass immunization exemplifies, in large measure, what the United Nations is all about.

Finally, Mr. President, recent events compel me to address the scourge of international terrorism. By and large, Canada has been spared the ravages of terrorism. Today, this is no longer the case — we too have experienced its pain. No one nation alone can combat terrorism; it demands concerted international action. We must exchange information, there must be nation-to-nation understanding, and we must have international conventions. Those who murder and maim innocent people, those who bring anarchy to civilized society can have no sanctuary, no comfort, no indulgence.

Canada joins with countries around the world in the search for a determined and effective response. We urge all states to support such practical measures as counter-terrorist conventions and the International Civil Aviation Organization's drive to strengthen the security of international air travel.

Canada esteems the United Nations, its record and its potential. Our commitment to the principles of the Charter and to international co-operation is no fashionable pose. For four decades, it has been a motive force of our foreign policy. Time and again, on critical occasions Canada has offered its troops for UN-sponsored peacekeeping roles around the globe.

Canadians are united in one simple conviction: to better the human condition and to achieve international peace and security. Nations acting together can always do much more than nations acting apart.

To be sure, we recognize the imperfections, deficiencies and limitations of the United Nations. That is why we work so hard to improve its functioning; that is why we so strongly support the Secretary-General as he strives to reform it from within. But after all is said and done, Mr. President, we must surely agree with the Secretary-General that where the United Nations is weak it is almost always due to a failure of political will. That kind of failure is not easily reformed. It will change only when sovereign states realize that the principles of the Charter are the signposts that can lead us all towards mutual respect, collective security and lasting peace. Living by these principles offers the best hope for us all. To the fulfillment of these noble and timeless principles, Canada today renews its pledge of loyalty and support.

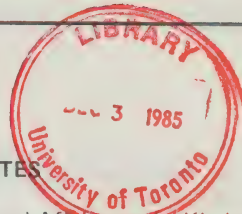




# Statements and Speeches

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## TOWARDS THE ENHANCEMENT OF TRADE WITH THE UNITED STATES

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Kitchener-Waterloo Chamber of Commerce, Kitchener, October 10, 1985.

Canadians have faced critical choices in economic trade policy at many times in the past. The Canadian economy was built on trade, and throughout our history, Canadian jobs have depended on trade. A strong trade performance means a strong economy, and that means an ability to invest in the social and cultural institutions which let us be ourselves as Canadians. We want to keep medicare and our other social programs. We want to keep the instruments and the symbols of our distinct Canadian identity. We want to assert our sovereignty in our North, and in our cultural expression, and in the quality of our life. To do that, we need secure jobs and steady growth. To have jobs and growth, we need trade.

However, in recent years, the international economic environment — the world we trade in — has changed profoundly. It is worth remembering what happened the last time there were profound changes.

Five decades ago the world was in the midst of the Great Depression. Countries everywhere called for protection of their own industries. Restrictive trade policies were followed and they made things worse.

Canada and the United States were the first to act against the strong protectionist pressures of that time. We began, together, the process of tearing down these obstacles to growth; and in 1935 we concluded a bilateral trade agreement.

In 1938, we were joined by other countries. And the principles underlying the Canadian-American bilateral agreement eventually provided the foundation of the postwar multilateral trading system.

For half a century Canada has pursued a policy of trade liberalization. Today more than ever, our prosperity and that of our partners depend on an expanding world trade and a growing world economy.

Trade is critical to our livelihood. Today, almost one-third of what we produce is exported. Few countries in the world are so dependent on trade. For Canada, trade means jobs. Yet our share of world trade has been declining. This trend ultimately threatens the jobs of thousands of Canadians and the living standards of the nation as a whole.

This government was elected to create jobs and growth. As one important step, we have embarked on a campaign to reduce trade barriers around the world and to enhance Canada's access to markets everywhere.

We are pursuing these goals both on the multilateral front with all the countries participating in the

General Agreement on Tariffs and Trade and, as well, bilaterally with our major trading partner, the United States.

At the Bonn Summit in May, at the Organization for Economic Co-operation and Development, and elsewhere, we joined with other Western governments in calling for a new round of multilateral trade negotiations to pick up where the Tokyo round left off. But consensus in the developed world is not enough alone.

So, for several months we have been working to narrow the differences between the developed and the developing countries with respect to the Multilateral Trade Negotiations. This month, a delegation headed by a senior official of my department will be visiting Asian countries to get agreement on an agenda. Similar consultations have already been held with Colombia, Chile, Peru, Argentina and Brazil.

And, now, we have agreed to open discussions with the United States, which could lead to a new bilateral trading agreement between our two countries.

More than three-quarters of our total annual exports go to the US markets. Obviously, we are extremely vulnerable to any protective trade actions taken by the United States, whether those actions are aimed at others, or at us.

Some people ask "Why worry about trade with the United States?" Let me begin to answer by talking about one big threat, and three important roadblocks Canadians face today.

The threat is to thousands of existing Canadian jobs, which are being put at risk by protectionism in the United States. The roadblocks are "Buy America", safeguards, and countervail.

There are other obstacles to Canadian trade, built into the US system, limiting Canadian jobs, but tonight let me talk about these three.

"Buy America" is a program which can lock Canadians out of the market for goods bought or financed by US governments, local, state or federal. It can force Canadian companies to move to the United States in order to sell there. That is why Bombardier recently had to move a Canadian plant to Vermont, to supply subway cars to New York. Flyer Industries of Manitoba, who produce buses, were forced to move their final assembly facilities to Minnesota. Ontario Urban Transit Development Commission has similar problems.

If we were to set as a target just 1 per cent of the goods now controlled by the "Buy America" policy, we would increase our export sales by \$5 billion. Yet we are virtually shut out of that market, right next door. That is a roadblock we would like to talk about in any trade negotiations.

"Safeguards", so-called, permit a country temporarily to protect its domestic industry when it can be demonstrated that imports are causing serious injury to that domestic industry. Safeguard actions have to apply to all countries, whether their exports are part of the problem or not. So, if Japanese

steel is a problem to the United States, they "safeguard" themselves against steel from all countries, including Canada. We are vulnerable to being side-swiped by action directed at others.

That has threatened Canadian jobs in steel and with respect to petroleum-related products.

That is a roadblock we would like to talk about in any trade negotiations.

Countervail and anti-dumping are part of an array of so-called "contingency protection" measures designed to offset predatory pricing or unfair subsidies applied by exporting countries. Threats of countervail are blossoming in the United States, threatening Canadian jobs in export industries ranging from lumber to steel to uranium to raspberries. They are being applied in an increasingly aggressive and undisciplined manner. That is a roadblock we would like to talk about in any trade negotiations.

Our general access to the American market is threatened with more erosion every day. There are over three hundred protectionist bills in the Congress today. They either threaten or have already harmed \$6 billion in Canadian exports, and 140 000 jobs, affecting all regions of the country and a wide range of commodities.

That's the threat from Congress. In addition, various states dream up other ways to stop our trade. This summer, for example, four Western states slapped a prohibition on our pork, claiming they didn't like the antibiotics our pigs were being fed.

Even when we are successful in beating back protectionist measures, we get only temporary relief. Today's victory results in tomorrow's attempts in Congress to change the legislation to catch us next time. That leaves a constant cloud over our exports, and naturally drives away some investment in these industries.

One of the most serious threats now is to the lumber industry. Americans buy more than half of all we produce and 60 000 Canadian jobs are at stake. Three years ago, an attempt in Congress to impose new duties on Canadian lumber was defeated. There are now three new bills before Congress that would restrict our sales of softwood lumber.

The Canadian steel industry is also under recurrent threat. We managed a year ago to avoid safeguard action by the United States which would have adversely affected \$1-billion worth of Canadian exports. But we don't yet have a permanent solution to the problem.

Other exports under threat include sugar. And fish. And salt. And raspberries. And blueberries. And other products. There is even talk in the United States of imposing surcharges on all imports, and that would be a severe blow to our economy.

It has been estimated that a 10 per cent reduction in our exports alone could throw a quarter of a million Canadians out of work.

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So we have a threat we cannot ignore. Canada can't afford to lose jobs, or to have them continue under constant threat. The arrangements we have now are not good enough. We need a better mechanism for settling trade disputes and irritants; for reaching agreement on controversies over subsidies for industry, agriculture and fisheries. In brief, we need something better just to preserve Canadian jobs.

That speaks of some of the obstacles we want to discuss with the Americans, in the interest of Canadian jobs and security. But let's also look at the opportunities.

A better, fairer, more open trade arrangement with the United States would create new jobs, and better jobs. It would encourage new investment, not only foreign investment, but investment by Canadians as well, and that would build our industries and make them more competitive throughout the world. We would, in other words, be selling more products not only to the United States but to the rest of the world as well. Because we would be more competitive.

There are a great many Canadian producers who relish the challenge of greater access to a market of 250 million people. They are confident about their capacity to compete in a more certain North American environment. They have confidence in their capacity as managers and in the skills, know-how and diligence of their workers.

Consider for example the case of the Canadian petrochemical industry. Given Canada's abundance of natural resources, particularly natural gas, at relatively favourable cost, petrochemicals are one of Canada's strongest manufacturing assets. However, the industry is capital intensive. In order to be internationally competitive, it needs considerable economies of scale, which means having unfettered and secure access to a large market.

Another example of an industry which suffers today from inadequate access to the US market is the Canadian urban transit equipment industry. The Canadian market for urban transit equipment is limited. Canadian manufacturers have to export to survive. Their natural and nearest export market is the US. But "Buy America" and similar content requirements imposed at state levels, make this market extremely difficult for Canadians.

The government wants these firms to flourish. We know that this is a more promising avenue to growth and employment than bail-outs — or taking a plunge into our own brand of protectionism.

These, then, are the threats and the opportunities we face. In confronting them, we have been very conscious of the fundamental importance of involving Canadians directly in any decisions about what we might negotiate. In our economic statement of November 1984, we promised to consult closely with business, labour and other groups. And throughout the last year we have done just that.

Beginning in January, we issued a discussion paper on "How to Secure and Enhance Canadian Access to Export Markets". In May, we tabled "Future Directions for Canada's International Relations".

In the spring, my colleague, Jim Kelleher, the Minister for International Trade, undertook an intensive six-week tour across Canada meeting with hundreds of interested Canadians.

In May, we appointed a Special Co-ordinator for Market Access Consultations, Mr. Tom Burns, former President of the Canadian Export Association. Mr. Burns and his team have met with close to 100 different associations and companies.

We also consulted provincial governments, first at the February conference of first ministers, and then in May at a meeting of federal and provincial trade ministers in Vancouver. Another meeting of trade ministers is being held today in Halifax, and trade issues will be on the agenda again when first ministers meet next month.

A Special Joint Committee of Parliament held public hearings through the summer on Canada-US trade. We want more debate in Parliament, and more consultations in the country.

We are establishing immediately a permanent International Trade Advisory Committee, to provide a constant two-way flow of information and advice between the government and the private sector on international trade matters.

The Committee will be chaired by Mr. Walter Light, past President and Chief Executive Officer of Northern Telecom. Feeding into the Committee will be more than 20 sectoral committees, comprising representatives of business, labour, consumers, cultural industries, agriculture, academics and research organizations.

This is the most wide open negotiating process in the history of Canada. The only way to ensure success is to have our negotiators knowing, firsthand, the impact of any proposals.

What the government has done so far is to invite the United States to begin negotiations on trade between the two countries. There may be no negotiations, if Congress refuses to consider arrangements which would limit its power to threaten Canada with protectionist bills. And if the negotiations begin, they may come to nothing if Washington demands a price which we are not prepared to pay. But we believe we can strike a deal that would be good for Canada. We have no illusions, however, and we know Americans will be hard bargainers. If we cannot strike a deal that would benefit all of Canada, we will strike no deal at all.

There will be commercial negotiations between two distinct and sovereign countries, whose intelligent co-operation can create more jobs, more growth and more economic security on both sides of the 49th parallel. The economic advantages of freer trade are undeniable. But we all know that modern nations are more than economic. The challenge will be to strengthen our economy and our sovereignty.

As the Prime Minister said when announcing in the House of Commons the government's intention to pursue a trade agreement with the United States, "our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character — these are the essence of Canada. They are not at issue in these negotiations".

So, we will not be discussing Canadian medicare, or unemployment insurance, or bilingualism, or the

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Canada Council or the Canadian Broadcasting Co-operation or other instruments which define the distinctive nature of Canada. And, for their part, the Americans will not be discussing their foreign policy, right-to-work laws, or the Stars and Stripes. We won't be trading Mike Duffy for Dan Rather, or the Blue Jays for the Royals.

On the other hand, enhancement of trade with the US could strengthen our economic base and provide us with increased means to finance excellence in education, the arts, science and technology, social programs, international development and national defence. That would strengthen our sovereignty and reinforce our sense of pride as a people.

Increased prosperity lets us pursue Canadian social and cultural policies appropriate to our own conceptions, values and needs. That is the essence of sovereignty — being able to do what we want to do. What limits us today is not our will but our economy. Icebreakers cost money. So do dance troupes and social programs, and the other instruments of sovereignty.

The question of Canada's sovereignty and sovereign identity is not new to me. *Je connais quelque chose de mon pays dans mes deux langues* [I know something about my country in my two languages.] For eight long months, four years ago, I fought and changed a constitutional measure, precisely because I believe it offended the nature of my country. In two public incarnations, I have had the honour to help the Canadian people express our nature in response to foreign crises, once in Ethiopia, once on the Indochinese seas, with acts of generosity and sacrifice. Like my Prime Minister, and many of our colleagues, I came into active politics in response to Mr. Diefenbaker's vision and had the honour, a month ago, to announce sovereign decisions to ensure that northern integrity which he proclaimed.

I know something about this country — its strength, its contradictions, its sense of vulnerability. My own view is that, in recent years, we have become much stronger, as a national community, much more sure of our ability to compete.

The Canadian vision of the New World is different from the American dream. It is based on our own values, born of our culture, our history, our climate and geography. Canadians have a right to demand that our government preserve these values and protect them.

When the "national policy" was introduced in 1879, Canada was a struggling infant. Trade barriers were seen as a necessary part of a general economic program aimed at linking the new country together on an East-West axis, settling the West through a transcontinental transportation system, and building a domestic manufacturing sector.

But the Canada of 1985 is not the fragile newcomer to the family of nations that it was at Confederation. We have come of age, and the expectations of our citizens have matured. It is now appropriate for Canada to be more assertive, both as to who we are and what we can achieve.

As I indicated earlier, our economic relations with the United States have grown steadily over the past several decades. Does anyone seriously believe that Canadians have less sense of national identity today than we did in 1935? Is our sense of ourselves less vital now than 50 years ago?



Consider even more recent times. In the 1970s, we witnessed serious division between Quebec and the rest of Canada, and there were bitter quarrels between the eastern and western regions of our country. Those divisions had nothing to do with our closer economic relations with the US. They sprang from indigenous and historical sources. And we have overcome them. Canada today stands as a mature, united, country ready to assert its position in the world.

The decision to open negotiations with the United States will not weaken our sovereignty. It is an assertion of sovereignty in an increasingly interdependent world. It demonstrates our confidence that we can be as productive, innovative, ingenious and efficient as our American partners.

Sovereignty is dynamic, not static. It is constantly changing. It is not an artifact to be kept under glass and protected from the intrusion of change.

Countries acquire their sovereignty gradually. They build it, maintain it, and strengthen it by confronting and overcoming problems. That is how Canada has done it in the past. That is how we should conceive of sovereignty now.





# Statements and Speeches



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## CANADA AND THE COMMONWEALTH CARIBBEAN

Notes for a Speech by the Right Honourable Brian Mulroney, Prime Minister, at the Luncheon for Caribbean Commonwealth Heads of Government Nassau, the Bahamas, October 18, 1985.

...At Kingston you raised a number of concerns. As I have already reported to you, I pursued some of them with President Reagan at Quebec and with the leaders of other industrialized countries at Bonn. Since then, Canada has also made sustained efforts to ensure that the special needs of lower middle-income countries are fully recognized. At the recent Seoul meetings of the Bank and the Fund, the question of the eligibility of all Commonwealth Caribbean countries for access to the Bank's concessional affiliate, the International Development Association (IDA) was discussed.

We appear to have achieved the objective of deferring IDA graduation for many of you. I am pleased to note that it was our efforts, strongly backed by Australia, India, and a solid Commonwealth front, that made this possible.

The relationship between Canada and the Commonwealth Caribbean is rich and diverse. Let me confirm again your priority in our assistance programs and my commitment to you to double aid to the regions over a five-year period — to a level in excess of \$80 million by 1987.

We are working with you in activities which range from small social development projects to balance-of-payments support to major capital ventures.

To cite a few examples, we have tripled disbursements to Jamaica over the past two years to \$26 million. Twenty million dollars are going to the Island countries of the Eastern Caribbean for training, while in the energy sector we are involved in projects with the governments of Barbados, Jamaica, Grenada, St. Lucia and St. Vincent, including a \$9-million hydroelectric development in St. Vincent. In the air transportation sector — long a focus for Canada — work has begun on a \$75-million project to modernize 22 airports on 13 islands. I can announce today that we will be providing more training in air traffic control.

Let me now give you a response and a status report on CARIBCAN. When we last met, the possibility of one-way duty-free trade for Commonwealth Caribbean exports was raised. I gave you my undertaking to consider the proposal seriously and to get back to you as soon as possible.

I can now inform you that our Cabinet has agreed that your proposal should be implemented. The Minister of Finance has already held a series of consultations with Canadian industry on the tariff aspects of your proposal and there is general support for such action. My expectation is that Canada should be ready to introduce the duty-free arrangement, together with whatever minimum safeguards are deemed necessary, during the first half of 1986. We anticipate that the arrangement will cover 99 per cent of the goods which you currently export to Canada. As you know, cigars, which were specifically raised in the CARIBCAN proposals, have already been accorded duty-free entry in last May's budget.



I would like to turn to the question of rum. Access to Canada for Caribbean rum has long been a major issue and I am pleased to tell you that we have made some progress. We are now ready to formalize the protocol on labelling in the Canada/CARICOM trade and economic agreement. In addition, we will amend our legislation to permit the bottling of rum in Canada without blending. I am discussing your general concerns about the provincial liquor marketing systems with provincial premiers. I am prepared to approach them on your behalf with specific cases or proposals.

To strengthen your export capacities, we will be in touch with CARICOM about a pilot project to develop a sourcing directory. This will provide an inventory of Commonwealth Caribbean manufacturing and export capacity. This kind of data base has proved an effective tool in Canada for the development of export marketing initiatives.

The Commonwealth Caribbean already has trade offices in seven Canadian cities. I propose to make available to them a program which would enable Caribbean trade commissioners to receive assistance through the area offices of our Department of Regional Industrial Expansion. Furthermore, we will be discussing with CARICOM technical assistance in export marketing through trade and diplomatic seminars. To ensure the implementation of these proposals, we will appoint a CARIBCAN co-ordinator in Ottawa.

A specific CARIBCAN request was in the area of scholarships. I am pleased to tell you that Canada will be making available, through the Canadian International Development Agency, at least 50 new scholarships for the region — in addition to other scholarship programs.

Finally, my Minister of Finance will expedite the negotiation of double taxation treaties with Commonwealth Caribbean governments, where such treaties do not now exist.

This is a wide ranging set of measures. To me this is appropriate. CARIBCAN is not just about a duty-free agreement. CARIBCAN is about strengthening the broad and diverse relationship between Canada and the Commonwealth Caribbean.

Let me turn for a moment to our efforts in the security field. These programs play a key role and they forge an important bond among us in our pursuit of freedom and democracy. In this context, I should mention coast guard training, which has a special significance for island or coastal states. Over the past five years, 446 men and women from the Commonwealth Caribbean have received training in Cornwall, Ontario and Sydney, Nova Scotia, as well as in selected Caribbean locations. This training program will continue.

These measures demonstrate anew that Canada has a real and continuing interest in the vitality and well-being of the Commonwealth Caribbean.

It is important to continue to discuss frequently and informally, as we are today, the means by which our relationship and the prosperity of our peoples can be advanced.

However, before we do so, I should like to ask you to lift your glasses and join me in a toast to the strengthening of our special relations.

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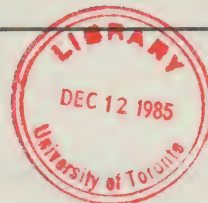
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# Statements and Speeches

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## NEW INITIATIVES FOR TRADING WITH PACIFIC RIM COUNTRIES

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Vancouver Board of Trade, Vancouver, October 23, 1985.

There are two reasons for Canadians to talk about trade. One is that we can't help it. Almost 30 per cent of our gross national product results from international trade — double the dependence on trade of Japan, triple the dependence of the United States. Of the seven countries at the Economic Summit, only Germany depends on exports more than we do. In this province alone, trade with just Japan is worth \$1 200 for every man, woman and child. Trade with just Japan accounts for 45 000 jobs in British Columbia alone. Whenever we talk about creating jobs, or funding social programs, or encouraging culture, or asserting our sovereignty, we are talking about trade. Part of the Canadian reality is that we have to compete internationally to survive.

Another part of the Canadian reality is that we can compete internationally. We can be as good as the best of our competition, whether the subject is transportation, technology, or petrochemicals, or ballet. That self-confidence is the second reason to talk about trade. Nations grow gradually to maturity, like people do. At one stage of our national life, it may have been appropriate to insist on general protection — through tariffs, and restraints on investment, and government ownership of enterprises. Now, a more mature Canada can be more selective about the protection we require, and more sure of our strengths. Of course we will need some protection. Every country does. There is no absolute market economy except in the text books. But stronger nations have less need of protection, and whether your standard is resources, or skills, or ingenuity, or self-confidence, this is a strong nation.

The old regime assumed Canada was vulnerable, and put up barriers. We assume that Canada is strong, and look for opportunities to express that strength. An immense opportunity awaits us in world trade — and we are reaching out to embrace it — in multilateral negotiations for a more open world trading system; in bilateral negotiations with the United States; in trade missions, and productivity seminars, and new offices abroad.

We will be encouraging exports everywhere, but two large markets have special potential, particularly for Western Canada. One is the United States, where we have the challenge of keeping existing markets, as well as winning new ones. The other is the Pacific Rim, which we believe will be the major source of new growth for Canada in years to come.

Ten years ago, Canada's transpacific immigration surpassed our transatlantic immigration, for the first time in history. Two years ago, our Pacific trade surpassed our Atlantic trade, for the first time. In 1979, an earlier, shorter-lived Progressive Conservative government organized the first National Conference on Canada and the Pacific Rim. That government, like this one, contained leading ministers from Western Canada, who know how much of our future lies to our west. For 100 years, Canada has been a Pacific nation in geography, and we intend to make it a Pacific nation in mentality too.

That requires concrete Pacific initiatives, and I want to talk about four of them.

We are opening new trade offices in the Pacific Rim. One is already operating in Auckland, New Zealand. We are opening a consulate in Shanghai, and doubling the number of trade development officers stationed in Beijing. In the next few months, we will open a consulate general in Osaka, with a special mandate to promote trade and facilitate technological exchanges. We are assigning a technology development officer to the embassy in Tokyo, and are introducing a new "technology awareness and acquisition program", to support private sector missions in advanced industrial materials, automotive parts technology, and manufacturing technology.

We are spending more money on market awareness. The government will commit more than \$1 million to sharing costs of marketing efforts by Canadian business in developing or increasing their exports in the markets of Asia and the Pacific. We are particularly interested in helping deepen the awareness in China of Canada as a trading partner.

We are stepping up export missions. During the past year, several Canadian ministers have been promoting trade in Asian capitals. Next year, the Prime Minister will carry Canada's trading message personally to the Far East. Next week, Jim Kelleher, the Minister for International Trade, will lead a major export mission to New Zealand and Australia. Exporters and entrepreneurs are coming with me to India and Pakistan in December.

Finally, we are taking every opportunity to increase general economic co-operation between Canada and the Pacific Rim. One example is the new round of multilateral trade negotiations, which will set the new shape of world trade. Before the negotiations begin, I want to identify the common ground between Canada and the newly industrializing countries of Asia and the Pacific. I am sending senior officials on a trade policy mission to Korea, Indonesia, Thailand, Singapore, Malaysia and the Philippines. Their mandate is to identify specific areas where we can work together to increase joint leverage in the negotiations on market access.

In the same spirit, we are taking a more active role in the Pacific Economic Co-operation Conference, an initiative by business leaders, encouraged by governments.

Next autumn the fifth annual Conference on Pacific Economic Co-operation will be held here in Vancouver. We have established a national Pacific Economic Co-operation Committee of 24 prominent Canadian business, academic and political leaders, under the chairmanship of Eric Trigg.

In preparation for the Vancouver conference, members will meet in Bangkok to examine investment linkages, in San Francisco for a trade seminar, in Jakarta, to explore co-operation in the energy and mineral sector. The initial focus is on the economy and the private sector. But when I met the Canadian committee earlier this month, I urged them to explore the entire range of possibilities for Pacific co-operation.

There is one other country on the Pacific Rim I should mention in the context of trade. That is the



United States. They are of some importance to us, and we are of some importance to them. For example, British Columbia buys more US goods than China does.

More than three-quarters of our total annual exports go to the US markets. Obviously, we are extremely vulnerable to any protective trade actions taken by the United States, whether those actions are aimed at others, or at us.

Our general access to the American market is threatened with more erosion every day. There are over 300 protectionist bills in the Congress today. They either threaten or have already harmed \$6 billion in Canadian exports, and 140 000 jobs, affecting all regions of the country and a wide range of commodities.

That is the threat from Congress. In addition, various states dream up other ways to stop our trade. This summer, for example, four western states slapped a prohibition on our pork, claiming they didn't like the antibiotics our pigs were being fed.

Even when we are successful in beating back protectionist measures, we get only temporary relief. Today's victory results in tomorrow's attempts in Congress to change the legislation to catch us next time. That leaves a constant cloud over our exports, and naturally drives away some investment in these industries.

As we know too well, one of the most serious threats now is to the lumber industry. Americans buy more than half of all we produce, and 60 000 Canadian jobs are at stake. Three years ago, an attempt in Congress to impose new duties on Canadian lumber was defeated. There are now three new bills before Congress that would restrict our sales of softwood lumber.

Other exports under threat include sugar; and steel; and fish, and salt; and raspberries; and blueberries; and other products. There is even talk in the United States of imposing surcharges on all imports, and that would be a severe blow to our economy. It has been estimated that a 10 per cent reduction in our exports alone could throw a quarter of a million Canadians out of work.

So we have a threat we cannot ignore. Canada cannot afford to lose jobs, nor to have them continue under constant threat. The arrangements we have now are not good enough. We need a better mechanism for settling trade disputes and irritants; for reaching agreement on controversies over subsidies for industry, agriculture and fisheries. In brief, we need something better just to preserve Canadian jobs.

That speaks of some of the obstacles we want to discuss with the Americans, in the interest of Canadian jobs and security. But let's also look at the opportunities.

A better, fairer, more open trade arrangement with the United States would create new jobs, and better jobs. It would encourage new investment, not only foreign investment, but investment by Canadians as well, and that would build our industries, and make them more competitive throughout the world. We would, in other words, be selling more products not only to the United States, but to the rest of the world as well. Because we would be more competitive.

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There are a great many Canadian producers who relish the challenge of greater access to a market of 250 million people. They are confident about their capacity to compete in a more certain North American environment. They have confidence in their capacity as managers, and in the skills, know-how and diligence of their workers. Consider, for example, the case of the Canadian petrochemical industry. Given Canada's abundance of natural resources, particularly natural gas, and relatively favourable costs, petrochemicals are one of Canada's strongest manufacturing assets. However, the industry is capital intensive. In order to be internationally competitive, it needs considerable economies of scale, which means having unfettered and secure access to a large market. You can all name other industries which would welcome and thrive in a market ten times the size of ours.

What the government has done so far is to invite the United States to begin negotiations on trade between the two countries. There may be no negotiations, if Congress refuses to consider arrangements which would limit its power to threaten Canada with protectionist bills. And if the negotiations begin, they may come to nothing, if Washington demands a price which we are not prepared to pay. But we believe we can strike a deal that would be good for Canada. We have no illusions, however, and we know Americans will be hard bargainers. If we cannot strike a deal that would benefit all of Canada, we will strike no deal at all.

These would be commercial negotiations between two distinct and sovereign countries, whose intelligent co-operation can create more jobs, more growth, and more economic security on both sides of the 49th parallel. The economic advantages of freer trade are undeniable. But we all know that modern nations are more than economies. The challenge will be to strengthen our economy and our sovereignty.

The question of Canada's sovereignty and sovereign identity is not new to me. For eight long months, four years ago, I fought and changed a constitutional measure, precisely because I believed it offended the nature of my country. Like my Prime Minister, and many of our colleagues, I came into active politics in response to Mr. Diefenbaker's vision and had the honour, a month ago, to announce sovereign decisions to ensure that northern integrity which he proclaimed.

I know something about this country — its strength, its contradictions, its sense of vulnerability. My own view is that, in recent years, we have become much stronger, as a national community, much more sure of our ability to compete.

The Canada of 1985 is not the fragile newcomer to the family of nations that it was at Confederation. We have come of age, and the expectations of our citizens have matured. It is now appropriate for Canada to be more assertive, both as to who we are, and what we can achieve.

Over the past ten years, other countries and other economies pulled ahead of Canada, despite our abundant resources and skills. We failed to keep pace with technological developments. In 1968, Canada exported more than Japan; today, Japan's exports are more than double our own. Globally, we fell from fourth to eighth as a major exporter. Out of 70 manufacturing sectors, we gained market share in only four, and declined in 21.

Those statistics are a warning. Industrial restructuring that saw Japan move from toys to high technology is being repeated in Korea, China, Thailand and India. The terms of trade are working against Canada's resource base, as we become more dependent on trade in primary goods. The bottom line is that we have not adjusted to a changing world as fast as our competition.

The irony, and the epitaph, of the past ten years in Canada is that while our competitors were reaching outward, we were looking inward. While Japan and Korea, and Germany, and the United States developed new technologies, we patriated a Constitution. While newly industrialized countries sought capital and growth, we enacted the Foreign Investment Review Agency and the National Energy Program.

We lost some time, and some advantages, and we have to win them back. I am confident we can do that, and look forward to working with you.







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## IN SUPPORT OF WORLD DISARMAMENT

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, on the occasion of Disarmament Week, Ottawa, October 24, 1985.

As we observe United Nations Disarmament Week beginning on October 24, we find in the world environment reason for renewed hope. In Geneva, the United States and the Soviet Union have resumed their bilateral negotiations in order to deal with nuclear and space arms. Next month, President Reagan and General Secretary Gorbachov will come together for the first time in a summit meeting. The Third Review Conference on the Non-Proliferation Treaty, which aims at preventing the proliferation of nuclear weapons came to a successful conclusion in September with consensus on a Final Document. This welcome development demonstrated the positive results that can come out of the multilateral negotiating process when there is a powerful incentive to co-operate.

These are all positive developments. Yet one cannot deny that serious obstacles to progress remain. The road to higher levels of global security at lower levels of armaments — both nuclear and conventional — will not be an easy one. The Canadian government, for its part, has sought to give greater impulse to the negotiating process in an effort to enhance international peace and security. We have developed our own program of action for the remaining half of the Second Disarmament Decade. While we shall be concentrating our diplomatic and technical resources on the development of practical solutions to specific negotiating problems particularly those relating to the verification of agreements, we shall, parallel with these efforts, intensify the use of our channels of communication at the political level in support of positive and serious negotiations.

Our objective in this respect is clear. We want to eliminate the danger of war in the nuclear age. Our aim is no less than to help ensure the survival of mankind.

Within Canada, the government will seek to develop an informed public opinion through means such as the Disarmament Fund. Through the Fund, which totals over \$700 000 this year, we are encouraging non-governmental organizations and concerned individuals to discuss, research and disseminate information in this area. The Consultative Group on Disarmament and Arms Control Affairs, which meets regularly with the Ambassador for Disarmament, Mr. Douglas Roche, and with government officials, has become an important vehicle for the exchange of views. It will meet for the second time this year from October 31 to November 2, in Ottawa. The government's *Disarmament Bulletin* will also serve an important information role in Canada.

At the international level, Canada will again this year support the objectives of the United Nations' world disarmament campaign through a contribution of \$100 000. Canada has made two previous contributions of \$100 000 each.

As we approach the International Year of Peace in 1986, which is being proclaimed by the United Nations on October 24, the government has renewed its commitment to the pursuit of progress in the arms control and disarmament field. This will continue to be a matter of the highest priority for the Canadian government.

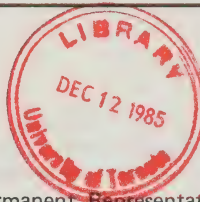




# Statements and Speeches

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## THE STRUGGLE AGAINST APARTHEID

Statement by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations General Assembly, New York, October 31, 1985.

Mr. President. When Bishop Tutu finished speaking last Monday, my Canadian colleagues felt as though there was nothing left to be said.

I wasn't able to be here at the time, but reading the speech afterwards, I could see him in my mind's eye, as I've seen him before, standing, at this podium, urgent, passionate, lucid, looking for all the world like a diminutive version of an Old Testament prophet, his voice mounting, cadence upon cadence, building — unanswerably — the case against *apartheid*.

The beauty of Tutu is the simplicity of his eloquence. He reminded us, at the outset, of his "beloved country . . . burning and bleeding unnecessarily to death", and he reminded us, at the conclusion, that he would "remember (those) who helped (his people) to be free".

In between, throughout the argument, the analysis, the documentation, the soaring phrases, the pleas for peace, there was one thing, one truly phenomenal thing, utterly absent — there was not so much as a whisper of malice, hatred, or retaliation.

That characteristic of so much of the black South African leadership has always astounded me. No matter what the provocation, no matter how deep the nadirs of despair, no matter how ugly the coercive apparatus of racism, the Tutus of this world, like the Lutulis 25 years before them, reject vengeance, seek reconciliation, espouse racial harmony.

If I may be allowed a personal aside, it is the one dimension of the struggle with which I have some small passing experience. Back in 1959, I lived and worked with South African refugees on the campus of the University of Legon in Accra. Ghana was newly-independent; Kwame Nkrumah was flying refugees out of South Africa in the dead of night . . . attempting to create a life-line of escape during some of the darkest hours of the infamous Verwoerd regime. They were all youngish men caught up in the tragedy of their country, facing the whips of Afrikaner extremism were they to return; but not one of them, not one of them embraced, at the time, premeditated violence: they all talked — with quiet single-minded intensity — of equality, justice, democracy for everyone; white, coloured, Indian, black.

I heard exactly those reverberations in the words of Bishop Tutu this week. And just as I asked myself a generation ago, I ask myself now, how do such people manage to maintain such generosity, such dignity, such vision in the face of so prolonged and so malevolent an assault?

I don't know the answer; it may have a lot to do with religious faith, it obviously has a great deal to do

with qualities of resilience and decency in the human spirit. But of one thing I am certain: this pattern of almost supernatural restraint will **not last** forever.

As the fabric of society tears asunder, as the government of South Africa defies reason, those who counsel moderation will find their voices stilled by violence.

That is why we're in such a race with time. And that is why, in Canada's view, the next six months are crucial.

Somehow, we must keep the momentum going. There is a sense — perfectly real — that we're poised on the brink . . . that at any moment, South Africa could descend into the maelstrom of conflict and horror. We have to maintain the faith with the black leadership that never gives up; faith with those who suffer the police in the townships, with those who languish in detention, with those who face trial, with those who are hanged at dawn, with those whose lives are already forfeit in the desperate struggle for freedom.

And keeping the faith means keeping the pressure relentlessly on. In that respect, the world has come a long way in the past several months. Canada is strongly representative of that crescendo of conscience and action which now grips nation after nation.

I don't think it's necessary to recapitulate for this audience each and every measure which Canada has recently introduced — we have circulated all our relevant political statements as formal documents of the General Assembly. Suffice to say, that between July and September of this year, Canada announced a whole range of selective sanctions, cutting right across the economic spectrum, incorporating everything from the effective ban on the sale of *krugerrands*, to a ban on bank loans, to an embargo on air transport, to a voluntary ban on the sale of crude oil, to an end of the toll-processing of uranium from Namibia. In concert with so many other nations, we have strengthened our sporting boycott, and so anxious are we to give expression to an aroused public opinion that the Canadian government has opened a registry where every single voluntary measure undertaken by Canadian provinces, municipalities, organizations, even private citizens can be inscribed as a testament of our implacable opposition to *apartheid*. As the dossier builds, we will forward the contents to the Secretary-General.

Such items, however, are simply the specific ingredients of political policy. Conceptually, we have gone much further. We have, with determination, helped to negotiate and then signed October's Commonwealth accord — a document which not only contains within it selective sanctions collectively applied, but also the terms and conditions for dismantling *apartheid*. And then, last week, from this very platform, the Canadian Prime Minister made it clear that if South Africa resists fundamental change, we're prepared to impose total sanctions; more, that if *apartheid* is not dismantled, we would consider severing relations with South Africa absolutely.

There are moments in the lives of nations when the immorality of one invites the opprobrium of all. This is such a moment.

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Canada recognizes that some countries and some critics argue that the world is moving too slowly on this issue. In truth, no one could have predicted a mere six months ago that so much would galvanize so quickly. The pressure on South Africa is inexorably mounting. South Africa feels the pressure. The strategy now must be never to allow that pressure to abate. Over the next six months — the time-frame of the Commonwealth accord; the time-frame which Bishop Tutu has endorsed — we must use every device, every initiative, every opportunity, every diplomatic skill, every debate, every appropriate forum, within the United Nations, beyond the United Nations, individually and collectively to persuade South Africa that peaceful change alone makes sense, and that peaceful change can only be achieved when *apartheid* is forever expunged from the vocabulary of human and political behaviour.

The so-called reforms are no fundamental reforms at all. There remain in existence more than 300 *apartheid* laws. They constitute a lexicon of oppression. They restrict and control, on the basis of race alone, virtually the entire range of human activity. They are anathema to a civilized society.

Despite the elaborate arguments of some, we are not dealing with a complex issue. We are dealing with colour and dignity. Whenever I speak to one of my diplomatic colleagues from Africa or Asia about *apartheid*, the elemental pain in their faces is the pain of a simple truth: colour and dignity. I've never felt that more strongly in my life than since coming to the United Nations. This is a struggle we all must win. South Africa must be persuaded that the dismantling of *apartheid*, the lifting of the state of emergency, the release of Nelson Mandela and all other political detainees, the revocation of the ban on the African National Congress and other political parties, and above all, an immediate dialogue with the representative black leadership — these are the preconditions for an orderly and peaceful transition to a free and non-racial democratic society.

Mr. President, some people ask, what exactly does the black leadership of South Africa want? Let me end on that note with this quote:

"In government we will not be satisfied with anything less than direct individual adult suffrage and the right to stand for and be elected to all organs of government. In economic matters we will be satisfied with nothing less than equality of opportunity in every sphere, and the enjoyment by all of those heritages which form the resources of the country which up to now have been appropriated on a racial 'whites only' basis. In culture, we will be satisfied with nothing less than the opening of all doors of learning to non-segregatory institutions on the sole criterion of ability. In the social sphere we will be satisfied with nothing less than the abolition of all racial bars. We do not demand these things for people of African descent alone. We demand them for all South Africans, white and black. On these principles we are uncompromising."

Who is the author of those words? Chief Albert Lutuli when he was head of the African National Congress. On what occasion? In 1961, in his speech upon receiving the Nobel Peace Prize.

Two Nobel Laureates, Lutuli and Tutu, almost 25 years apart.

Mr. President, the people of South Africa have waited long enough.

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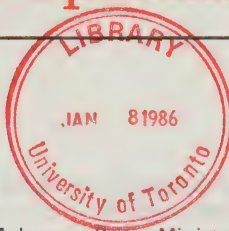






# Statements and Speeches

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## IN PURSUIT OF PEACE

Notes for a Speech by the Right Honourable Brian Mulroney, Prime Minister, to the Consultative Group on Disarmament and Arms Control, Ottawa, October 31, 1985.

We often think of the pursuit of peace in terms of meetings and summits, negotiations and agreements. Yet these are instruments, not goals, means not ends. The desired object of our quest is the careful construction of a framework for enduring security — security for tomorrow, as well as today. And security for all, not simply for some.

In the absence of a stable and secure international environment, all our domestic achievements and pursuits, as well as our aspirations for the future, are put in jeopardy. Just as peace cannot endure without justice and prosperity, so too prosperity is meaningless in the absence of peace. The shadows of our nuclear age are deep and terrible, but we must not allow ourselves to become overwhelmed by them; numbed into fatalistic indifference. For the spectres that man creates, man can also dispel. The pursuit of peace leaves little time for counsels of despair.

Unfortunately, we know that the spectre of war will continue to haunt us until a just peace is secured for all time, not just our time. Yet fear of the future must not be permitted to take root in the youth of today, who deserve nothing less than the opportunity to live and grow in an atmosphere of hope and security.

So I approach the pursuit of peace with determination, recognizing both the enormity of the task, and the requirement for action. To those who say it can't be done, I say it must be done. To those who say Canada can't do it alone, I say we can do it together. And to those who claim it is none of our business, I say the search for peace is everyone's business.

Shortly after assuming office, I said that Canada would work relentlessly to reduce tensions, to alleviate conflict, and to create the conditions for a general and lasting peace. I added then, and I repeat: "the exercise of political will is nowhere more important than on this issue, on whose outcome the lives of our children and of humanity depend".

At this juncture, with the world hoping that the coming weeks will see a triumph of just such political will, it is appropriate to elaborate on this theme. I would be remiss, however, if I did not first congratulate the members of the Consultative Group on Disarmament and Arms Control Affairs for the interest, expertise and responsibility each of you brings to this complex agenda. Certainly the revitalization of the Consultative Group has enriched the quality of opinion and advice available to the government in considering these critical issues.

I think it is appropriate that the Consultative Group's current meeting is devoted to the multilateral

arms control forums where Canada has 'a seat at the table' and thus can have a direct impact on the course of events. In your discussions here I hope you will identify and put forward practical suggestions as to how Canada can contribute to progress in these areas.

Canada is not and shall not be neutral in the struggle between freedom and totalitarianism. We are a member of the Western alliance and we are members out of choice, not circumstance. It is an alliance which requires military commitment and political solidarity. Yet it is also an alliance which relies on consultation and consensus. A healthy allied military effort would not survive in the absence of such consensus. But the right to be heard must constantly be earned. Canada earns that right.

The pursuit of arms control and disarmament has its place beside the defence effort, peacekeeping and conflict resolution. All are essential components of Canada's approach to international peace and security. We must vigorously pursue each of these if we are to maintain Canada's sovereignty and independence. And the world at large should recognize that arms control is a component of, not a substitute for, a healthy national security policy.

A wise and correct approach to security cannot ignore the virtues of arms control, just as arms control cannot ignore the requirements of national security. The search for either at the expense of the other is fruitless. And the search for both is imperative.

Let us recall that the Nobel Prize awarded to Lester Pearson for his superb diplomatic efforts in ending the Suez Crisis was also an award to the dedicated Canadian troops who helped make up the United Nations peacekeeping force. Without the forces trained and equipped to provide a buffer between Israeli and Egyptian armies, the United Nations resolution would have been only so much paper.

We must realize that our sovereignty and territorial integrity cannot be safeguarded by mere proclamation or protest. In addition to a firm legal position with respect to our sovereignty in the Arctic, we require a military capacity to respond to the threats posed by clandestine incursions into our waters, or probes of our air space. This is not a question of political expedience or choice. It is a question of responsible national policy. At the same time we should remember that, for over 35 years, the defence of Canada has been not only a national but an alliance obligation.

I am reminded, in this connection, of a great Canadian who personally embodied the four facets of Canada's security policy. As a soldier, a peacekeeper, an arms controller and a diplomat, the late General E.L.M. Burns personified the basic coherence and compatibility of each one of these roles in the conduct of Canada's security policy. In establishing arms control policies, Tommy Burns perhaps summarized it best when he said there had to be a dialogue between the proponents of security through armament, and the proponents of security through disarmament.

No one component can provide all of the answers. The decisions our government have taken are all directed to the over-arching goal of promoting international peace and security and, through these initiatives, Canada's own peace and security. These decisions have not been easy ones. They involved making some hard choices. We have decided, for instance, that Canada should have the capability to



keep open our Arctic waters for the development of that region so that we can effectively patrol all of our Canadian territory all of the time.

We have decided to strengthen our military presence in Europe as a further contribution to the alliance's collective defence and deterrence of military aggression. And as we build up NATO's conventional deterrent, we reduce our reliance on nuclear weapons, a goal I am sure we all share.

We also signed an agreement earlier this year with the United States to modernize the early warning radars in Canada, this as part of our commitment to honour our North American defence obligations.

We have decided to participate in the Sinai peacekeeping force to help maintain peace between Egypt and Israel, to create a climate in which the divisions of that part of the world may have some chance of healing.

Finally, as each of you is aware, in January of this year our government expressed the strong view that the Strategic Defense Initiative (SDI) research program was prudent, given similar research already being conducted by the USSR. We continue to be of that view. That being said, we decided in September that we would not participate on a government-to-government basis in the SDI research program. The government's research priorities were judged to lie more in the investigation of outer space verification technology than in feasibility studies of space-based weapon systems.

Underlying all these decisions is our unyielding commitment to a strong, independent Canada working in concert with other countries, in the interest of common global security. Within the field of arms control and disarmament, our government has six specific objectives:

- negotiated radical reductions in nuclear forces and the enhancement of strategic stability;
- maintenance and strengthening of the nuclear non-proliferation regime;
- negotiation of a global chemical weapons ban;
- support for a comprehensive test ban treaty;
- prevention of an arms race in outer space; and
- the building of confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

The resumption of the Geneva negotiations and the successful review of the non-proliferation treaty which concluded last month, have advanced the first two objectives. It is imperative that these negotiations lead to deep cuts in nuclear arsenals and that a firm cap be placed on any initial reduction to ensure that future movement will be in a steadily downward direction. In my view, this would be a nuclear "freeze" that works.

The other four aims are being pursued in related forums: the conference on disarmament in Geneva, the Stockholm conference and the mutual and balanced force reduction talks in Vienna. The Canadian delegations at these conferences are seeking, in concert with our allies, practical and equitable measures to reduce armaments and increase confidence.

I am pleased that our ambassadors who are engaged in the various disarmament negotiations are with us tonight and I am confident their contributions will both enliven and add considerably to your discussions. By way of illustration of this practical approach, Canada will provide to the UN Secretary-General, a manual of procedures for investigating allegations of chemical weapons use. We have carried out a series of discussions with non-signatories of the nuclear non-proliferation treaty to urge them to accede to this vital agreement.

At the Stockholm conference we have explored with our NATO allies new ideas on how the attainment of a substantial result can be facilitated.

Recent progress during the discussions at Stockholm portends concrete results from this important forum. At the conference on disarmament, Canada has tabled a study on the existing legal régime pertaining to outer space. This represents the first substantive contribution of any country to the work of the conference.

It is exactly through the cumulative effect of such practical measures, that progress in arms control is most surely achieved. This basic stance underlies the program of action Canada will advance throughout the last half of the second disarmament decade. One of the predominant themes in that program will be Canada's decision to focus on the vital issue of the verification of compliance with arms control agreements.

Without the knowledge that one's partners in an arms control agreement are actually honouring their obligations, the whole purpose of the agreement and, by extension, the arms control process itself, is called into disrepute. Verification is not end in itself. Verification enhances the confidence of the parties.

In so doing, it creates a sense of predictability. And predictability is one of the most important outcomes of effective arms control.

For my own part, I have concentrated on developing channels of communication with leaders from both East and West, to facilitate an exchange of ideas and to convey Canadian concerns and practical suggestions. Last month, I wrote to General Secretary Gorbachev outlining Canadian views and priorities with respect to arms control and disarmament. I have, of course, been in frequent contact with President Reagan on a range of international issues. I was pleased to participate at the meeting which he hosted last week in New York of summit heads of government to discuss the forthcoming Geneva summit.

It has been six years since the leaders of the USA and USSR have met. That is far too long in a world where superpower tensions cannot be left unattended. It would be preferable to regularize East-West summitry, to have the leaders of the USA and USSR meet, perhaps annually, to discuss problems and areas of common concern.

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You can do much to promote the concept — and the reality — of Canada as a state with a vital role to play in building the political, economic and social structures of peace in a world of great change.

**Postscript:**

Earlier this afternoon I received a message from President Reagan outlining a new American proposal designed to achieve real reductions in nuclear arms. This development is indeed a positive and welcome step.

While it would be clearly inappropriate for me to discuss any of the details of the President's new proposals, I am pleased that this new USA initiative builds upon common ground and thus should provide a basis for serious and substantive negotiations.







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## CANADA-NEW ZEALAND TRADE

Notes for Remarks by the Honourable James Kelleher, Minister for International Trade, to the Auckland Regional Chamber of Commerce, Auckland, New Zealand, November 4, 1985.

...Canada, like New Zealand, is a trading nation. Exports bring us 30 per cent of our national income, and they bring you nearly a quarter of yours. They are very important to both countries.

The government in which I have the honour to serve came into office committed to economic renewal. I can assure you that improving our trade performance is at the top of our priorities as we strive towards this goal. It is something we work at very hard. As Minister for International Trade, I consult frequently with my colleagues from the ten provincial governments in Canada. Together, we have developed a national trade strategy.

Perhaps the most significant item on which we reached rapid agreement was that there are two market regions that must get our priority attention — the United States and the Pacific Rim. The importance we give to the United States is no surprise. It takes more than three-quarters of our exports. Indeed, the trade between Canada and the United States exceeds in volume and value the trade between any two other countries in the world.

As for the Pacific Rim, it is the fastest growing region in the world. Canada's trade across the Pacific exceeds our trade across the Atlantic, and it is growing more rapidly. Again, no surprise. Our trade, like yours, was once directed heavily toward London and the Continent. But look what's happened since the war. In Europe, the Common Market has encouraged the Europeans to trade with each other first. And the Pacific Rim has come alive.

It would be something of an understatement to say that Japan has risen from the ashes. And Korea, where both Canadian and New Zealand fighting men were part of the United Nations forces only 30 years ago. At that time, a "nic" was something you got shaving. Now it stands for "newly industrialized countries", and most of them are in the Pacific. The new policies being pursued in China, with its potential market of a billion people, are enormously encouraging. And of course, when we come here to trade, we feel like we're coming home.

Canada is no latecomer to the Pacific region. The airline that brought me here, CP Air, is one of the offspring of the Canadian Pacific Railway, which united Canada from sea to sea nearly 100 years ago. Vancouver has been a major Pacific port ever since. We posted our first trade commissioner to New Zealand, by the way, in 1912.

For Canada, New Zealand is a market whose importance far outweighs its population. It may be the best example of what Canadian industry can do in the Pacific.

On a *per capita* basis, New Zealanders import more from Canada than does any other nation in the Pacific region. On a *per capita* basis, we sell much more to you than to large European trading partners such as Germany or France. In many markets Canadian exports are dominated by foodstuffs or crude materials. But half of our sales to New Zealand are finished manufactured goods. Canadians have shown that they can succeed in New Zealand and almost 600 Canadian firms are sustaining markets and actively seeking new opportunities through local New Zealand firms acting as their representatives.

We want to build on what has been accomplished to date. Travelling with me, for example, are executives from a rather wide variety of Canadian firms, all of whom are familiar with New Zealand and anxious to expand their business here. Included are experts in investment, in the design and construction of large mining projects, in telecommunications technology, in aviation technology, in railway control systems, in oil and gas projects, in agricultural machinery, in fisheries and in forest products.

Another example of Canadian activity will be our participation in WOODEX here in Auckland next week. Canada is the world's largest exporter of forest products and the leading producer of forestry equipment — both in the woods and in the mill. This trade fair, at which our forest industry equipment will be on display, will be our largest single promotional event in this market.

Two years ago Canada opened a consulate in Auckland headed with distinction by our honorary consul, Jim Sprott. The best expression of our seriousness of purpose here today is the decision to base a trade commissioner here in Auckland to provide support for the Canadian and New Zealand business communities. This afternoon I will take part in a small ceremony to open the new office.

I think many of you know Jim Ganderton, our commercial counsellor in Wellington. I hope you will soon get to know Scott Fraser, our new trade commissioner in Auckland. We also have a new high commissioner, Douglas Small, and he'll be visiting Auckland frequently, taking an active role in promoting commercial links between Canada and New Zealand.

We have traditionally received much assistance from your business community. On those many occasions when Canadians needed a hand or a bit of advice the Auckland Chamber of Commerce has always been of great assistance. In particular, I want to take this opportunity to thank Michael Barnett, the international manager of the Chamber and the members of his committee.

Canadians have seen New Zealand not just as a place to sell their wares. They have also invested here. Alcan aluminum, Bata shoes, Canada Wire and Cable, Home Oil and Seagrams are among the Canadian firms that have investments in this country. The participation by Alberta Gas Chemicals in the methanol plant at Taranaki is probably the most notable Canadian investment in recent years.

There is also New Zealand investment in Canada. Fletcher Challenge has a significant stake in the Canadian economy through its ownership of Crown Forest Industries. Canadians would welcome further New Zealand investment in Canada. Indeed, those of you who follow Canadian affairs will know that our government this year created Investment Canada, an agency designed to encourage foreign investment. We believe that Canada is an advantageous base of operations from which to tackle the entire North American market.



The close relationship we have developed in private sector commercial contacts also applies to our official relationship between governments. We can only applaud the actions of your government to phase out the import licensing system and reduce over-all tariff levels. On a more personal level, I look forward to conveying the greetings of Prime Minister Mulroney to Prime Minister Lange in Wellington tomorrow. The two prime ministers last met in the Commonwealth heads of government meeting in Nassau only three weeks ago.

We were pleased to welcome Deputy Prime Minister Palmer and Minister of Transport Prebble to Canada in September. A bilateral air agreement signed by Mr. Prebble was the basis for resumption of direct air services. Mr. Palmer and the Canadian Deputy Prime Minister, Mr. Neilsen, signed an agreement for exchanges of public servants which both governments hope will bring needed new ideas to each other. Their visits also signified New Zealand's desire for a closer, more active relationship with Canada; we share that desire.

Tomorrow I will have a chance to see again my New Zealand counterpart, Mr. Mike Moore, and I hope I can entice him to visit Canada. After all, we can be a good market for you, too.

One topic I will be speaking about in my talks in Wellington will be the prospect of a new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade. There is agreement between our two countries that a new round is needed to combat growing protectionism in the world, to bring the international trading system into phase with the changes that have been taking place in world markets, and to address long-standing problem areas such as agriculture, quotas, subsidies and safeguards.

Forward movement toward an era of diminished trade obstacles would benefit us all. No single nation can set the pace for such a round of talks, nor can anyone set a precise agenda.

The fact is that trade between nations is no longer what it was ten or even five years ago. We used to trade goods and that was it. Now we trade ideas. Much of the trade between Canada and New Zealand is still composed of tangible commodities, but more and more our firms are associated in other ways. We produce goods under licence. We use each other's brand names. We take a television program and produce new wealth by rebroadcasting it. We have one country's pop music stars record in another country's studio. We assiduously follow the latest twist in production methods, which often turn out to have been developed in Japan. The Japanese tell us that they simply followed advice received 30 years ago from the United States.

It is in the context of such a changing world that we in Canada have urged that progress toward a new round of negotiations proceed with the minimum of delay. And we are happy that New Zealand agrees.

Not only have we called for progress on the world stage, we have also served notice of our intention to begin talks with our neighbour and predominant trading partner, the United States, about ways to reduce or eliminate the barriers that still exist between us. We believe this step could do more than serve the particular interests of Canada and the United States. We believe it could also set a positive example

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for the other trading nations of the world. It is our hope that the initiative we are taking with the United States will hasten, rather than impede, a wider and more general easing of trade barriers.

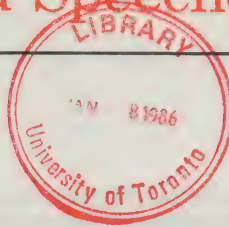
There are obvious similarities between what we hope to do with the States and your arrangement of closer economic relations (CER) with Australia. The disparity in size between the two partners is one of them, and we have been watching your example with interest. There may be other wrinkles we should consider as well as we begin discussions with the United States. We know how the CER works on paper, of course, but the ins and outs of practice might have some relevance for us. I hope that corporate executives I meet in New Zealand will give me the benefit of their personal experience with the CER.

We all have much to share. The complex web of commercial links we simplify and call "trade" has brought us together in ways we could not have imagined a few years ago. The furry and exotic "Chinese gooseberry" of the past, for example, is now the kiwi-fruit, and a Canadian housewife can drive through the snowdrifts to her neighbourhood supermarket to buy it. She may not even know that it was picked halfway round the globe.

Trade is a wonderful thing. It does not force us into paths of uniformity, it allows us to wander away from them. It gives us a means of broadening and enriching our lives, and our nations. Trade is not a zero-sum activity, it is one by which everybody gains. But it is also a fragile web. We must work together to keep it in repair.



# Statements and Speeches



No. 85/22 CAI  
EA  
-571

## CANADA-AUSTRALIA TRADE

Notes for Remarks by the Honourable James Kelleher, Minister for International Trade, to the "Doing Business With Canada" Seminar, Melbourne, Australia, November 6, 1985.

...My visit to Australia this week is, in part, a result of a discussion between your Prime Minister, Bob Hawke, and my Prime Minister, Brian Mulroney, in March of this year. They agreed that Canada would send a mission to Australia led by a minister. Subsequently Australia is to send a similar mission to Canada. Both missions have been instructed to pay particular attention to the opportunities for interchanges of expertise and technology. We hope they will lead to joint ventures, and I'll get into that a little later.

My second motive in coming to Australia is as part of an effort to increase Canadians' understanding of the importance of trade and other business links across the Pacific.

Canada, too, is a Pacific nation. During the election campaign which brought our government to power 14 months ago, Prime Minister Mulroney quite often pointed to the need for Canada to play a full role in commerce in the Pacific region. As the first minister from the new Canadian government to have the privilege of visiting Australia, I can tell you that we are pulling out the stops and getting more and more involved. The Pacific rim is certainly one of the most promising areas for commercial activity in the world today.

Canada, like Australia, is a large land with a small population, and that is a combination that makes us both trading nations. Exports bring us 30 per cent of our national income, and they bring you close to 20 per cent of yours. They are very important to both countries.

The government of Canada is committed to improving our trade performance. We are working very hard to do so. As Minister for International Trade, I consult frequently with my colleagues from the ten provincial governments in Canada. And together, we have developed a national trade strategy.

Perhaps the most significant item on which we reached rapid agreement was that there are two market regions that must get our priority attention — the United States and the Pacific Rim. The importance we give to the United States is no surprise. It takes more than three-quarters of our exports. Indeed, the trade between Canada and the United States exceeds in volume and value the trade between any two other countries in the world.

As for the Pacific Rim, it is the fastest growing region in the world. Canada's trade across the Pacific exceeds our trade across the Atlantic, and it is growing more rapidly. Again, no surprise. Our trade, like yours, was once directed heavily toward London and the Continent. But look what's happened since the war. In Europe, the Common Market has encouraged the Europeans to trade with each other first. And the Pacific Rim has come alive.



It would be something of an understatement to say that Japan has risen from the ashes. And what about Korea, where both Canadian and Australian fighting men were part of the United Nations forces only 30 years ago? It used to be that a "nic" was something you got shaving. Now it stands for "newly industrialized countries", and most of them are in the Pacific. The new policies being pursued in China, with its potential market of a billion people, are enormously encouraging. And, of course, when we come here to trade, we feel like we're coming home.

Canada is not a latecomer to the Pacific. Our first prime minister, Sir John A. Macdonald, gave his support to what is now known as "the great Canadian dream" — the building of a great railroad, the Canadian Pacific, that united our country from sea to sea. Vancouver has been a major Pacific port ever since.

Perhaps a bit of history is in order here. Canada's first trade minister was a gentleman named Mackenzie Bowell. Later in his life he served briefly as prime minister, but he was appointed minister of trade and commerce in December of 1892. In September of 1893 he set forth on his first official trip outside Canada. Where did he go? With great foresight, he went to Australia. And two years later, he sent out Canada's first full-time trade commissioner — also to Australia.

For Canada, Australia is a market that has long been attractive. It is certainly no less so today than it was 90 years ago. Looking at the first six months of 1985, you are our twelfth largest market in terms of gross exports. For what it's worth, you rank just behind France, and just ahead of Italy. What's even more interesting, from our standpoint, is the sort of things you buy from us. Australia is Canada's fourth biggest market for fully finished manufactured goods. Hundreds of Canadian firms are active here, promoting their sales through local Australian sales representatives.

For many Canadian businessmen, in other words, Australia does not seem so far away. That being the case, Australians should find Canada just as close.

When I was speaking to your ministers in Canberra yesterday I discussed the prospect of a new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT). Forward movement toward an era of diminished trade obstacles would benefit us all, and I am happy to say there is agreement between our two countries that a new round of trade talks — it would be the eighth under the GATT — is needed. It's needed for many reasons: to combat growing protectionism in the world, to address long-standing problem areas such as agriculture, quotas, subsidies and safeguards, and to bring the international trading system into phase with the changes that have been taking place in world markets.

The fact is that trade between nations is no longer what it was ten or even five years ago. We used to trade goods and that was it. Now we trade ideas. Much of the trade between Canada and Australia is still composed of tangible commodities, but more and more our firms are associated in other ways. We produce goods under licence. We use each other's brand names. We take a television program and produce new wealth by rebroadcasting it. We have one country's pop music stars record in another country's studio. We assiduously follow the latest twist in production methods, which often turn out to have been developed in Japan. The Japanese tell us that they simply followed advice received 30 years ago from the United States.

Another element of change is the increasing complexity of the technology embodied in our exports. Giving the local representative a few shop manuals will no longer permit him to give adequate after-sales support in a foreign market. Some governments also make special demands that local content be incorporated in their purchases.

It is in the context of such a changing world that we in Canada have urged that progress toward a new round of GATT negotiations proceed with the minimum of delay. And we are happy that Australia agrees.

We have not only called for progress on the world stage, we have also served notice of our intention to begin talks with our neighbour and predominant trading partner, the United States, about ways to reduce or eliminate the barriers that still exist between us. We believe this step could do more than serve the particular interests of Canada and the US. We believe it could also set a positive example for the other trading nations of the world. It is our hope that the initiative we are taking with the United States will hasten, rather than impede, a wider and more general easing of trade barriers.

In your own arrangement of closer economic relations (CER) with New Zealand there may be wrinkles we should consider as we begin discussions with the United States. We know how it works on paper, of course, but the ins and outs of practice might have relevance for us. I hope that corporate executives I meet in Australia will give me the benefit of their personal experience with the CER.

Two possible ways of expanding our trade — with each other and with the world — were discussed last March by Prime Ministers Hawke and Mulroney. We should give them serious consideration. One is the exchange of technology, the other the establishment of joint ventures. Both would help us respond to the new trading environment in the world.

I would urge Canadian and Australian business executives to look for new ways they can collaborate. For want of a better term, the expression "industrial co-operation" has come to be applied to all these new forms of international business beyond the traditional buying and selling of goods.

For some of you, investment in Canada may offer benefit. Indeed, those of you who follow Canadian affairs will know that our government this year created Investment Canada, an agency designed to encourage foreign investment. Another option would be to license a Canadian firm to produce your product there. In either case a Canadian centre of production could be a great source of strength in servicing your markets in the United States as well as in Canada.

Canada is presenting a freer business environment in other ways, as well. The changes we have made in the national energy policy are very important. I would draw your attention to the new energy accord between the federal government and the provinces of British Columbia, Alberta and Saskatchewan. This Western accord frees the forces of the marketplace. It provides a fairer fiscal regime for the industry and invites participation by foreign companies.

Turning the proposition around, Canadians have long recognized that Australia is a good place to invest.

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You are the fifth largest recipient of Canadian foreign investment. Australia might also be a good location from which Canadians could tackle other markets in the Pacific. I would urge Canadian companies to give careful consideration to forming joint ventures with Australian firms. The good relationship we have in traditional trade is the best basis from which to examine new undertakings such as joint ventures.

The statement by the two prime ministers in March and the seminar this morning all have been intended to stimulate you to think of new ways of doing business with Canada. I have a specific example of firms that show this flexibility, but I can't tell you much about it because the companies involved are in the final stage of negotiations this week. This much I can tell you, however. The Canadian firm has developed a new high-tech electronic device. So has the Australian firm. The Canadian firm's product is unique in that it is the only device to meet certain international standards. But to use the Canadian product you also need a product of the type the Australian firm has developed. The Canadian firm is negotiating with the Australian firm to secure the exclusive world-wide marketing rights to the Australian company's product. Once negotiations are complete — and that could be today — the two firms, acting together, will be able to offer a complete system. It should be a world-beater of a combination.

This is the kind of fresh thinking which could be of real benefit to us both. A small dose of collaboration — industrial co-operation if you will — can make our companies better competitors in world markets.

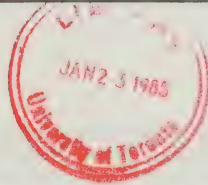
We in government can make introductions by sponsoring events such as the Canadian technology seminars to be held in Melbourne and Sydney this coming March. We can make the environment for collaboration easier by changing or eliminating regulations when they impede sensible business arrangements. What we cannot do for you is to take on the role that is the entrepreneur's preserve: innovation. You need to find the way to turn a new situation into a profitable arrangement. It can be done, and I am convinced that working closely with our Australian business partners is one of the most promising avenues we can explore....





# Statements and Speeches

No. 85/23 CAI  
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-571



## THE EMERGENCY IN AFRICA

Statement by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations, to the Fortieth Session of the United Nations General Assembly, New York, November 7, 1985.

Mr. President. The emergency in Africa is not over. In spite of the arrival of bountiful rains in some areas and the harvesting of bumper crops, countless numbers of Africans are still starving or hungry or malnourished. There is still misery. Famine still stalks many lands. The situation now is vastly better than it was one year ago, but much more must yet be done.

At incomparable human cost, the world has learned some lessons since the start of the African emergency; let us resolve that they are not forgotten, and that hereafter, we will put in place a series of responses, policies, and programs which, collectively, will make an equivalent catastrophe impossible.

Canada believes that while the emergency remains the imperative, we must increasingly emphasize follow-up measures for the international community so that a rehabilitation program can be established with two major long-term goals: (a) to help Africa better anticipate and better manage any future emergency situations; and (b) to put Africa on an economic path that will reverse the continent's recent decline and ensure that sustained development is achieved for the future.

These two goals will only be achieved by an immediate and prolonged commitment of resources, accompanied by extensive policy changes, and close co-ordination between the international community and African countries. The task is daunting. It requires single-minded political will over a very long haul.

The African emergency has had a stunning impact on this world. It has restored the milk of human kindness to even the most obdurate of cynics. It has brought a massive global outpouring of emergency assistance to Africa. The international system has shown that it can respond with speed, compassion, and generosity. In food aid alone, during 1984-85 donor countries will have shipped an estimated 11.7 million tonnes of cereals to Africa. To put it in stark relief, food aid to Sub-Saharan Africa will account for one half of total cereal imports and one sixth of total cereal production in the region. What more morose statistics are necessary to illustrate the impact of drought on agricultural production, as well as the recuperative antithesis — the strong support of the world community?

Agriculture is, however, only one facet of the critical situation in Africa. The emergency's more lasting effect has been to dramatize and exacerbate already serious economic problems and to constrain, drastically, economic development. Over-all, the Economic Commission for Africa calculates that total output *per capita* on the continent dropped 10 per cent from 1980 to 1984, and *per capita* food production is now only 94 per cent of what it was ten years ago. One could be clinical about it and note that this lack of real growth in output obviously has adverse consequences on balance

of payments, and greatly accelerates the accumulation of debt. One could equally be emotional about it and note that the figures constitute a monumental economic calamity.

Without any inclination to moral preachiness, it is necessary to acknowledge that the root causes implicate us all. Whether it is misguided domestic policies, low rates of investment (particularly in agriculture), poor management, high interest rates, or stagnant world commodity trade, the breakdown in Africa's primary economic underpinnings has greatly added to the tragedy. The challenge for corrective action is to reverse the decline in total output, and to deal realistically (some would say courageously), with all these interlocking economic problems.

Our immediate goals in addressing the African crisis should be early recovery and the establishment of a foundation for longer-term development. Early recovery means amongst other things, taking advantage of the current good rains by providing tools and fertilizers, as well as increased food storage capacity. Longer-term development requires a co-ordinated response to bridge the transition from emergency to security. A number of useful suggestions have been made by various groups, including the International Development Research Centre in Canada, the Expert Summit Group on the African Emergency, and the Commonwealth. Perhaps I might highlight sensible and relevant measures:

- (a) improving and integrating the early warning systems of various multilateral agencies and African countries;
- (b) strengthening the response system for emergencies through better management, based on the hard lessons learned to date;
- (c) striving for truly effective co-operation between donors and development agencies on the one hand and the governments and peoples of Africa on the other;
- (d) integrating food aid with national food production policies;
- (e) utilizing resettlement packages, and other innovative direct assistance strategies to provide immediate assistance to those most in need.

The goals of helping Africa to better manage future emergencies and to reverse declining development are not difficult to state. To attain them, however, will require Herculean efforts and unprecedented resources over the long term. The international community knows its responsibilities; but when all is said and done, the major effort and resources must be found in Africa. No continent can live by aid alone. Which resources are we talking about? Quite simply: environmental, financial, policy and co-ordination. All of them exist indigenously, and must be exploited imaginatively. Let us examine them more fully for a moment.

(1) Environmental resources obviously refer to soil, water, grasslands, and forests. This is the great inheritance of Africa and it is being devastated in the short term. The result? Desertification, increased severity of droughts, unplanned population movements, and lowered crop yields. The degradation of

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the rural environment is the result of an imbalance between human activities and the environment itself, not to mention the lack of priority accorded the rural sector in most African economies.

African countries and international donors must pay more attention to the environment at both the regional and project level. At this moment in time, there is a conference on desertification in Dakar, and there is also the Report of the Summit Group of Experts on the Crisis in Africa proposing a similar conference to be held in Paris in February 1986. Canada looks forward to the results of these meetings in order to better co-ordinate our own work in this area. In fact, Canada's assistance program to the Sahel has, as one of its three focuses, the stabilization of vegetative cover precisely to protect this delicate environmental balance.

(2) Financial resources include domestic holdings such as private and public savings, as well as foreign aid and export earnings. We are encouraged by the Organization of African Unity Summit Meeting Declaration of 1985 which called for increasing agriculture's share of total national investment to between 20 and 25 per cent by 1989. Obviously however, agriculture cannot stand alone — all national investment rates must be increased.

The Economic Commission for Africa (ECA) estimates that the savings rate for non-oil exporting countries in Africa barely reached 15 per cent throughout 1980-84. That's simply not high enough to encourage growth. The question of export earnings, debt and capital inflows plays an important part in determining the resources available for investment, as well as being an integral part of the international economic environment. Somehow this environment must be improved in order to provide more opportunities for African development.

Since 1980, total official development assistance (ODA) flows to Africa — including the Organization for Petroleum-Exporting Countries — has reached over \$10 billion per annum — and this during a time of recession for developed country economies. The ODA figure accounts for 48 per cent of total local investment in the non-oil exporting Sub-Sahara African countries. That kind of extravagant dependence on development assistance makes no sense. Clearly more genuine local investment, and a redirection of resources towards agriculture, are needed. It calls for much closer co-ordination between African governments and donors.

(3) Policy formation should itself be treated as a key "resource". If the natural and financial where-withal are not used effectively, Africa won't turn the corner from crisis management to long-term growth and development. Accordingly, it is imperative that domestic economic policies facilitate necessary adjustment, and that sectoral policies encourage increased investment and production through pricing arrangements, land use, agricultural inputs, transportation and marketing.

(4) Co-ordination, too, can be thought of as a key "resource" without unduly stretching the meaning of the word. Co-ordination between donors, multilateral agencies and African governments can reduce duplication, avoid bottlenecks and enhance the use of funds. While African governments must take the lead role, it is the responsibility of all to ensure that co-ordination is raised to the level of holy economic writ.

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It is with these "resources" of environment, finance, policy and co-ordination that the great long-term problems of Africa must be attacked. Bluntly stated, these problems include:

(a) *Food production* — subsistence agriculture does not allow for the accumulation of significant food surpluses. Policies to increase real incomes for those who produce food inevitably stimulate food production. However, more than just agricultural pricing policies have to be changed; there is a complex of other factors, including transportation, crop storage and farm inputs. Moreover, stepped-up agricultural research into local food crops is an important factor in increasing yields. All of these aspects, taken together, can begin to build an indigenous agricultural base of sufficient viability to withstand future depredations.

(b) *Infrastructure* — the first phase of the UN Transport and Communication Decade for Africa has, according to the ECA, been encouraging. The second phase calls for an investment of \$18 billion. Infrastructure must play an indispensable role in increasing Africa's ability to respond to future emergencies, as well as expanding over-all output. We would go so far as to say that in certain instances, the rehabilitation and maintenance of existing infrastructure should take priority over new investment.

(c) *Human resource development* — the use of human resources, particularly in agriculture, is central to the proper management of the industry. In particular, acknowledging the key role of women in development, upgrading the value of their work, and integrating their contributions to production and income generation are essential goals. This is one of the great challenges for contemporary Africa. And the goals must be met if any real and sustained progress is to be accomplished in Africa in the long term.

(d) *The 3 per cent per annum population growth* — this growth rate is an integral part of the food *per capita* equation. A long-term decrease will lessen the impact of future emergencies.

Let me turn, once again, to the central focus of our debate here today. Canada firmly believes that the UN system, working with multilateral agencies, bilateral agencies and Non-governmental Organizations (NGOs), has an absolutely vital contribution to make in responding to the current emergency in Africa. Already, looking toward the future, the international community through the UN has formulated a number of coherent long-range plans of action for Africa, particularly through the World Bank and its six point program. The Special Fund for Sub-Saharan Africa has received over \$1 billion, of which sum, I am pleased to say, Canada has contributed more than \$100 million. (As an aside, I should also like to add for the record, that Canada has increased its bilateral disbursements to Africa for the year 1985-86 by almost exactly 50 per cent over [ those of ] 1983-84. The bilateral sum has now reached \$430 million. Total Canadian resources going to Africa will reach over \$850 million in 1985-86). What we and others must ensure, however, is that the funds are effectively employed to deliver the maximum benefit. In the short-term, that means saving lives; in the medium- and long-term it means building — carefully, painstakingly — an invulnerable base for the future survival of the continent.

The African countries themselves now have a more thorough assessment of their own desperate difficulties, and at the same time have already developed an enhanced capacity to respond to these difficulties.

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The international community, particularly the western nations, have also realized their own responsibility to provide swift and massive emergency assistance on a scale hitherto unimaginable. Clearly, both Africa and the international community are now looking beyond the immediate crisis to a sustained collaborative effort, the success of which will allow Africa, including all of its countries, communities and peoples to develop. Amidst the ruin of the human experience there lies a potential triumph of the human spirit.

It would seem odd to make this speech without addressing the question of the proposed Special Session of the General Assembly on the African Emergency.

Canada happily supports the proposal. It is our hope that the debate, whenever it comes, will address the two overriding central issues: cushioning the impact of any present or future emergency; and consolidating the long-term strategy for the continent.

The special session in its time, and in its particular way, will then be re-enforcing and encompassing the many initiatives and policies already embraced or in process right across the United Nations system. After all, we have an excellent tentative blueprint in place: The Declaration on the Economic Crisis in Africa.

We look for concrete, practical results which can be supported by all, and which will be of permanent, incontestable benefit to Africa.

I have one final thing to say, because it is irresistible that it be said.

I well remember, with others, that historic meeting in a committee room downstairs on December 17, 1984, when the Office of Emergency Operations for Africa was launched. I well remember the pervasive gloom but stoic determination of those who graced the dais on that occasion — the Secretary-General himself, Mr. Stern of the World Bank, Mr. Souma of the Food and Agriculture Organization, and of course Bradford Morse, in whose hands the looming massive operation was placed. I well remember the comments of my colleagues; apprehensive, pessimistic, bewildered, frantic. I well remember a host of subsequent meetings in 1985, chaired by Mr. Morse with Mr. Strong at his right arm, where member countries, particularly donor countries including Canada, fretted and cavilled and stewed over money, staff complements, duplication, co-ordination, delivery, and the thousand other unnerving minutiae which sapped confidence and raised legitimate anxieties.

But above all I well remember, and observe with exhilaration, that the Office of Emergency Operations refused to be traumatized, buckled down to the job and performed magnificently.

This last year has surely been one of the UN's finest hours. The Secretary-General exercised his mandate with inspiration, focus and clarity. The international community was galvanized. And that little Brad Morse operation, acting in the name of us all, collaborating with donor countries, recipient countries, NGOs, and all the other relevant UN agencies; co-ordinating on the ground the distribution of the aid; overcoming what seemed to be in so many cases insuperable logistical difficulties — that Office

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of Emergency Operations — demonstrated that the United Nations, when mobilized, can save hundreds of thousands, perhaps millions of lives.

There is a tendency in this place to measure the UN's legitimacy solely in terms of political issues. Here is a case, however, when legitimacy and purpose are confirmed by the quality of our response to the human predicament.

It has all been memorable. It is a fitting reaffirmation of the fortieth anniversary.

What we must now resolve is that 40 years hence, the African continent will reflect a multitude of thriving economies where the human condition flourishes.





# Statements and Speeches

No. 85/24

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## THE SOVIET OCCUPATION OF AFGHANISTAN

Statement by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations, to the Fortieth Session of the United Nations General Assembly, New York, November 12, 1985.

Mr. President. The reports of the International Committee of the Red Cross (ICRC) say it all. At regular intervals, these short documents cross the desks of the missions here in New York, setting out, in unemotional language, the chronicle of a ghastly war.

Each report — "Afghan Sitreps" they're called — up-dates the activities of the Red Cross in the border areas of Pakistan. Let me quote briefly from report number 40, issued in July of this year:

"During July, an exceptionally high level of military operations in Paktia Province (Afghanistan) resulted in the highest ever number of war-casualties evacuated through the ICRC/Pakistan Red Crescent Society first-aid mobile post in Miramshah to the surgical hospital in Peshawar... In addition to intense surgical activities, the orthopaedic and paraplegic centres were also very busy, and a high level of activity was recorded for all other ICRC programmes in favour of Afghan conflict victims."

Report number 41 issued in early September, showed no let-up in the fighting. Indeed, throughout the summer of 1985, the casualties mounted. In the words of the Red Cross: "The number of patients continued to increase during August, and over last weekend, emergency measures had to be taken to strengthen ICRC's medical facilities with the provision of additional personnel and equipment."

The report goes on:

"The two surgical teams in Peshawar, as well as the specialized medical staff made available by the National Societies of Denmark, Finland, New Zealand, Norway and Sweden had to cope with the highest number of admissions ever recorded at the hospital. For two weeks from the middle of August... the hospital... reached its maximum capacity with the evacuation of two tents in the hospital compound... It is not possible to further extend the capacity of the hospital and it is, therefore, necessary to establish an independent field hospital in Peshawar with the staff to run it, and to find additional staff for the existing surgical structure."

In the sorry human saga of invasion, depredation and tyranny, the numbers recorded in these reports seem relatively low. For example, in the little field hospital in Peshawar during the month of July, there were 199 war-wounded admitted, 478 surgical operations performed, and 962 patients otherwise treated. But you take those figures, and you multiply them by the network of field hospitals and mobile emergency stations in Pakistan and Iran, as well as the tens of thousands of casualties dealt with in Afghanistan itself; and you further multiply them by 12 months in the year, and by a war which has raged with unrelieved ferocity for almost six years, and then you note the constant references to

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surgical, orthopaedic and paraplegic procedures, and you have, in the ICRC reports, the microcosm of a nation massacred and mutilated.

Over one million dead. An equal or greater number physically scarred by battle for life. Between one and two million uprooted, ravaged and homeless in their own land. Four to five million as wretched refugees in Pakistan and Iran. Is it any wonder that the Helsinki Watch Committee in its recent study of Afghanistan observed, with eviscerating simplicity, that "A whole nation is dying."

And for what reason? This immeasurable human tragedy is made even more appalling because it is so utterly, inexplicably pointless.

The entire world knows that the Soviets weren't invited in. The entire world knows that Afghanistan posed no threat — not even to Soviet secularism. Afghanistan was a middle-sized non-aligned power whose neutrality was never menacing. The entire world knows that the Soviet invasion and occupation weren't prompted by some startling geopolitical imperative of the moment; the circumstances of December 1979 were hardly sufficient to merit a diplomatic note, let alone an act of aggression and war.

Perhaps it is an expression of the ugly, age-long lust for territorial expansion — a Soviet version of *lebensraum*; perhaps it is some unfulfilled strategic design to reach a warm-water port; perhaps it is a deliberate policy, with as yet unstated objectives, to unsettle further that already destabilized region of the world; perhaps having intervened to install a puppet regime, ideological rigidity took over, and departure became impossible.

But whatever the rationale, explicit or conspiratorial — and not a word of it is believable in any event — the Soviet Union, in its war against the people of Afghanistan, has reverted to the ethics, the excesses, and the excrescences of Stalinism.

The Soviet Union, however, will not win. Russia has unleashed 115 000 troops, equipped with the most lethal and technological of modern conventional weaponry, but the people of Afghanistan cannot be subdued. No matter to what extent the Soviet high altitude saturation bombing and helicopter gunships decimate civilian populations, reduce whole communities to ashes, or turn the countryside to cinders, the Afghan *mujahideen* fight on.

After nearly six dreadful years, it is now clear that the Soviet Union cannot impose a military solution. It might wish to make of Afghanistan a subservient, vassal state, but it will not succeed. The words of the Secretary-General's report ring true: "Peace, and the degree of national reconciliation that it should entail to allow the Afghan people to decide their own future, cannot be attained by military means."

The only answer is a negotiated settlement which embraces the principles in the resolution before us, and reflects the views expressed in this debate by the overwhelming majority of member states of the General Assembly. It is an answer for which the Secretary-General, and his Special Representative have been nobly — at times, productively — striving. In that context, we more than welcome the pending third round of proximity talks.

But it all hangs on Soviet troop withdrawal. That is the *sine qua non*. Everyone understands it. If we are back here, same time, next year, it is solely because the Soviet Union continues to believe that nihilism is preferable to negotiation; that butchery is preferable to bargaining. It all raises a series of inescapable hypocrisies. Here we have a country, the Soviet Union, which regularly reminds this Assembly, during debates on regional conflicts, that resolutions, once passed, must be honoured. But this resolution, on the "Situation in Afghanistan and Its Implications for International Peace and Security", is never honoured by the Soviet Union.

Here we have a country, the Soviet Union, which regularly — almost obsessively — lectures this Assembly on the right to self-determination of certain peoples. But self-determination, when applied to the people of Afghanistan, becomes a nullity. Here we have a country, the Soviet Union, which regularly denounces, in this Assembly, acts of territorial aggression, and proclaims, in this Assembly, the sanctity of territorial borders. But when it comes to Afghanistan, the aggression is naked, and the increasing cross-border violations of Pakistan's territorial integrity matters not at all. It's awfully useful to have a dialectic which is so infinitely malleable.

Here we have a country, the Soviet Union, which is forever reminding this Assembly of "gross and massive" violations of human rights. Yet before us is Afghanistan, where violations of human rights are not merely gross and massive, they are grotesque and universal. Nothing could convey it better than this excerpt from the Helsinki Watch report whose findings, incidentally, were largely confirmed by the Special Rapporteur of the UN Human Rights Commission. I quote:

"From our interviews, it soon became clear that just about every conceivable human rights violation is occurring in Afghanistan, and on an enormous scale. The crimes of indiscriminate warfare are combined with the worst excesses of unbridled state-sanctioned violence against civilians. The ruthless savagery in the countryside is matched by the subjection of a terrorized urban population to arbitrary arrest, torture, imprisonment and execution. Totalitarian controls are being imposed on institutions and the press. The universities and all other aspects of Afghan cultural life are being systematically 'Sovietized'."

Here we have a country, the Soviet Union, which worries, in the Assembly, about demands placed upon important agencies within the United Nations system. But directly because of the Soviet invasion of Afghanistan, there has been created in Pakistan, the largest refugee population in the world, exacerbating significantly the crisis of resources within the UN High Commission for Refugees (UNHCR). Were it not for the selfless response of the government of Pakistan, coupled with the extraordinary work of the UNHCR, we would have an ever greater disaster in Southwest Asia. None of that, however, seems to matter to the Soviet Union.

Above all, here we have a country, the Soviet Union, which regularly instructs this Assembly on the imperatives of peace. But this is a highly selective application of the principles of peace. It is meant for all the rest of us. It carefully omits Afghanistan.

As Canada said earlier, Afghanistan will not submit. The conflict may be taking an incredible toll, but there is no sign of subjugation. Karmal remains in power purely by force of Soviet arms. Hostility grows



internally. The government is at war with its own people. Indeed, despite the cruel and inhuman treatment which Russia inflicts on captured defectors and prisoners of war, there is increasing evidence, recently set out in a series of articles in the *New York Times*, of numbers of successful defections from the Soviet army to the ranks of the *mujahideen*. That's not surprising. Some Russian soldiers are bound to rebel against so perfidious a war; some will inevitably be attracted to the Afghan cause.

The Soviet Union would wish to draw the curtains of silence over Afghanistan. They wish they could wage their vengeful war in stealth and in private. They wish the war were never reported in the press. Even now, they attempt to staunch the flows of refugees so that word of military atrocities never reaches the outside world. They wish these debates never occurred. They wish the resolutions were never passed.

But it's up to this General Assembly, to keep the Afghan cause alive, and to make clear, repeatedly, the condemnation of the world. We must somehow persuade the Soviet Union that negotiation is the only route to world approval. The United States has suggested a regional initiative; it might well be worth pursuing. Anything is worth pursuing that brings the prospect of a settlement within the stated goals of this resolution.

When he spoke this morning, the Permanent Representative of the USSR made much of the benefactions bestowed upon the people of Afghanistan by Karmal of Kabul. "The campaign against illiteracy is being waged with success," he said. "After the victory of the revolution," he added, "over one million Afghans have learned to read and write."

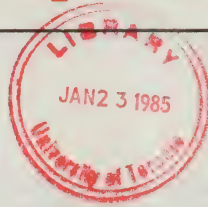
After the victory of the revolution, over one million other Afghans have been slaughtered. In the choice between literacy and life, they would, as all the rest of us, have chosen life. But why must they make the choice? Why can they not have both? That is the question the Soviet Union refuses to answer.



# Statements and Speeches

No 85/25

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## THE FUTURE OF NAMIBIA

Statement by Stephen Lewis, Ambassador and Permanent Representative of Canada to the United Nations, to the Security Council at the Fortieth Session of the United Nations General Assembly, New York, November 15, 1985.

Mr. President. Thank you for the opportunity to address the Council. Canada, as a non-member, does not often speak before this body. We do so today because of the issue before the Council. This is no *pro forma* intervention: Namibia is of deep and abiding concern to us.

Since the Council last considered this question in June, the government of South Africa — alas, predictably — has continued to defy the international community. Events inside Namibia however, can give South Africa no cause for satisfaction. The illegal regime, installed without free and fair elections, has failed to gain legitimacy and has fulfilled our collective original prophecies by proving utterly ineffectual.

It could not of course be otherwise given the regime's patently unrepresentative nature. We are compelled to ask: how many times must the experience be repeated before South Africa learns the lessons of history; lessons starkly illuminated by the experience of decolonization in Africa?

Coincident with this debate, the Council has been presented with a note from the so-called "Transitional Government of National Unity", under covering letters from South African authorities, indicating a preference for an electoral system of proportional representation. Since this must be considered as the position of the South African government — begrudging though the language in which it is couched may be — it is welcome. But as always, as my colleagues from Denmark and the United Kingdom have so swiftly pointed out, South Africa encumbers every marginal step forward with the shackles of regression. In this case, we have a not-so-veiled attack on the impartiality of the Contact Group, and a re-assertion of linkage. Neither tactic is acceptable, and South Africa knows it.

In any event, there is a more immediate consideration. Now that South Africa has found an electoral system to its liking, where are the elections themselves? Why should they not now take place? What further reason could possibly justify delay? We don't ask these rhetorical questions to lend credence to an illegal regime; we ask them in order to suggest, as all countries around this table know, that every supposed advance must be measured against the duplicity which it may conceal.

When the Council considered Namibia earlier this year, it recommended a number of measures to governments to which Canada reacted with concrete steps. Our response is aimed at demonstrating the depth of Canada's opposition to South Africa's continued illegal occupation of Namibia, and at maintaining the pressure on South Africa to set a date to implement Resolution 435.

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More specifically, our Secretary of State for External Affairs announced on July 6 that Canada had decided to terminate all toll-processing of Namibian uranium imported from South Africa. This action was taken in accordance with Security Council Resolution 283, which had recommended that countries end commercial activities related to Namibia, carried out by agencies under government control. I might note that this measure was adopted notwithstanding the economic costs to Canada which could approximate \$5 million. The processing had been carried out under contracts between Eldorado Nuclear, a crown corporation, and commercial parties in third countries. We hope that those countries — and others — will also re-examine their policies in light of Resolution 283.

Canada did more. Following the adoption of Resolution 566, a ban on *Krugerrand* gold coin sales was introduced in co-operation with Canadian banks. In addition, the question of transportation was reviewed. As a result, an embargo on air transport between Canada and South Africa was instituted. It covers both cargo and passenger flights. It will end all charters, and rule out any prospect of concluding a bilateral air services agreement. We think these actions demonstrate that Canada takes the recommendations of this Council seriously.

But quite apart from such specific initiatives, we also recognize that Namibia continues to be an issue involving self-determination, regional peace and security, regional economic development, and the role of the United Nations. As we said in June, Namibia's right to independence is rooted, inextricably, in the very principles on which the UN was founded.

At the recent Commonwealth heads of government meeting in Nassau, Canada's prime minister, the Right Honourable Brian Mulroney, joined other leaders from all continents, representing 49 countries with one quarter of the world's population, in declaring grave concern over the continued delays in achieving Namibian independence. As you know, Commonwealth leaders categorically rejected South Africa's attempts to link Namibia's independence to extraneous issues. They reaffirmed resolution 435 as the only acceptable basis for an independent Namibia. Finally, they agreed that action directed against *apartheid* should be directed equally towards ensuring South Africa's compliance with the wishes of the international community on the question of Namibia.

In other words, Namibia remains front and centre for the Commonwealth, and the Commonwealth conveyed to South Africa, with unmistakable clarity, that independence is an immediate imperative. This Council, too, has a crucial role to play — the crucial role to play — in reminding South Africa that its previous commitments to Namibian independence under UN auspices must be honoured. That would best be done by a strong resolution, reinforcing measures already recommended. It should also be a unanimous resolution. This is no time to send a mixed signal to Pretoria.

The Council must continue to reject the implausible security considerations invoked by the government of South Africa. By rough calculation, it is at least 900 kilometres at the nearest point between South Africa's northern border and the northern border of Namibia. What takes place or does not take place 900 kilometres from South Africa's borders can hardly be considered a direct security threat. The linkage argument will not wash.



We have listened with interest and care to the statements delivered in this debate. The representative of Zambia spoke with quiet and persuasive eloquence of the right of Namibians to self-determination and the tragic consequences of further delay.

The Secretary-General of the South West African People's Organization, Mr. Andemba Toivo ja Toivo, made equally telling points about the nature of his people's struggle for self-determination. It was a moving experience for us to hear this reasonable man, at long last free in person, and as ever committed to the freedom of his people. Could we have foreseen his presence among us even two years ago? Are there not larger lessons to be drawn by South Africa? What might happen if South Africa also released its own political prisoners — the Mandelas and the leaders of the United Democratic Front? Might South Africa not find that they, too, are reasonable men, open to rational discussion and rational argument if dialogue is given a chance?

South Africa's continued refusal to set a date to implement the UN plan, is a wilful breach of good faith and of the assurances given to members of the Contact Group and to the UN itself. Canada, for one, has stated clearly that this behaviour will contribute to the widening gap in our bilateral relationship. As we said last June, the Contact Group may still have a role to play during the actual implementation of Resolution 435, as well as a role in bringing about an agreement to set a date to implement the UN plan. Canada, therefore, continues to be frustrated by the Contact Group's inactivity and sense of immobility. This is a situation that we might want to consider further, in co-operation with our friends from the front line states and Contact Group partners.

We expect that the resolution which emerges from this Council meeting will set the stage for renewed diplomatic efforts. Canada is ready to assist. In the meantime, we support, with full heart, the UN's unrelenting determination to achieve independence for Namibia on a just and equitable basis.

There is one other matter we would wish briefly to raise. In the face of the present military and diplomatic impasse, we must constantly remind ourselves of the aggravated plight of the Namibian people and refugees. Several days ago, Canada deposited its annual contribution to the UN Fund for Namibia. We don't wish to be presumptuous, but other countries, especially non-contributors or those whose contributions are little more than token, might wish to reconsider their funding. This is a time when social, educational, economic and humanitarian assistance are acutely necessary, and for the future prospects of the country, absolutely indispensable.

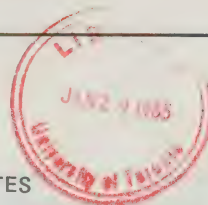
Unanimity of action should be our goal. Unanimity will keep the issue at the forefront of the international agenda and send, yet again, but with mounting force, a strong, clear message to South Africa. Each of us must do our part to maintain and to intensify the pressure. The Toivos of Namibia will one day triumph — of that there is no question. It is simply — if painfully — a matter of time. History will be left to calculate the consequences for South Africa of its obdurate and inconsiderable delays.





# Statements and Speeches

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## TOWARDS A NEW TRADE AGREEMENT WITH THE UNITED STATES

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Foreign Policy Association, New York, November 18, 1985.

Five years ago I spoke to you about the energy crisis and the requirement for both of our countries to co-operate in finding solutions to the problem.

The Canadian government of that day did not heed my advice on that or on other matters — and instead proceeded with what they called the National Energy Program (NEP). That program, involving confiscation and extraordinary government direction of the industry was unpopular in your country and disastrous in mine. One of the advantages of democracy is that unpopular policies can be changed and two weeks ago we celebrated the fifth anniversary of the NEP by ending it.

That program was one of a series of measures which marked an extraordinary Canadian preoccupation with looking inward. The epitaph of that era is that while our competition was adapting we were patriating a constitution. The irony is that we hunkered down behind defensive energy and investment policies at precisely the time Canadian self-confidence and accomplishment were burgeoning. Some would argue that Ottawa's policies created that self-confidence. I believe the opposite. Canada's new self-confidence is significant precisely because it evolved naturally in our people and our regions. It reflects natural maturity not artificial policy.

Part of the commitment of the new government was precisely to replace that sense of Canadian vulnerability and reflect Canadian confidence. In our first 14 months we have replaced the old Foreign Investment Review Agency (FIRA), dismantled the NEP and begun to work the deficit down. Now we are working to have Canada reach outward again and take advantage of our opportunities as a trading nation. We, more than most countries, rely on trade for jobs and growth. Of the seven nations of the Economic Summit, only Germany depends on exports more than Canada. That explains why we pursue so seriously now, opportunities for Canada in bilateral and multilateral trade negotiations.

I recognize that the attention of most Americans and Canadians is focused on Geneva and tomorrow's meeting between President Reagan and Secretary Gorbachev. A testament to United States leadership is the way you have involved your allies in a process whose result affects us all. President Reagan enters the discussions with the full support of the people of Canada and with our prayers.

If peace is vital to all mankind, a healthy economy is essential to maintaining and building a peaceful world. And when times are tough and protectionist wolves are at the door, we need to remind ourselves how important a strong trade performance is to the economic health of both our nations.

In the spring of 1985, at their historic summit in Quebec, President Reagan and Prime Minister Mulroney



undertook a political commitment to halt protectionism. They reaffirmed their support for the new round of multilateral negotiations and they charged their respective trade ministers to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade.

In mid-September, the United States Trade Representative, Clayton Yeutter, and my colleague, Jim Kelleher, the Minister for International Trade, recommended that the two countries explore the scope and nature of the broadest possible bilateral trade agreement. As a result, on September 26, Prime Minister Mulroney announced to Parliament that the Canadian government has decided to pursue a new trade agreement with the United States.

The Canadian proposal has been warmly welcomed by President Reagan. The ball is now in your court in terms of the domestic procedures which have to be followed in this country before negotiations can begin in a formal sense. Some three weeks ago, in Calgary, Secretary Shultz reaffirmed the positive response of the administration to our proposal and indicated to me that the United States should be ready to begin early in 1986.

The Prime Minister has appointed a distinguished and highly experienced Canadian, Mr. Simon Reisman, to spearhead the Canadian effort. He will be working closely with the Canadian provinces and consulting with business, labour and all interested Canadians to make sure that we are fully prepared for these negotiations.

What would be involved in negotiations? For our part, we are prepared to examine the broadest possible package of reductions of tariff and non-tariff barriers, and we recognize that any deal would have to be mutually beneficial. We want the United States to respond to our concerns about the protectionist effect on Canadian exports and jobs of your trade remedy legislation; about our desire to compete on a fair and competitive basis for federal and state government contracts; about the need for a more effective and predictable way to settle our differences. The United States administration will want us to listen to your concerns, for instance about the level of our tariffs, and about such things as our federal and provincial government procurement practices. We will both want to look at developing international rules regarding trade in services.

By listening to each other — by placing these concerns on the table — neither side is committed to accepting what the other side is proposing. But only by frankly discussing each other's objectives and concerns will we know whether a good deal is possible.

This is a bold move by the Canadian government, and it has, naturally, aroused some concerns in Canada. We must, as a government, be sensitive to these concerns as we move to the preparatory phase. It is precisely for that reason that we have established the most extensive consultation process ever associated with a Canadian trade initiative. We want Canadians to know what we are doing. But it is important that Americans too be sensitive to the seriousness of our initiative and to the concerns it has aroused.

Canada, like the United States, has its own distinct political, social, cultural and juridical systems, and an economy that reflects the special character of our geography, our natural resources and our people.

Canadians want a co-operative, indeed a warm relationship with the United States. But we also want a relationship that respects and reflects Canada's distinctive character and interests. Hence, Canadians will always be worried about any steps which appear to call into question the government's economic autonomy or undermine fundamental national interests, values or social institutions. As I told George Shultz in Calgary, "What is incidental to you can be central to us. What is entertainment to you can be culture to us."

The protection of our distinct cultural identity is of singular importance to Canada. Culture is an elusive concept. It is the embodiment of a nation's nature and spirit. It is the heritage that is handed down to succeeding generations. It is how we define ourselves to ourselves, and to others. This implies domestic encouragement and international exposure. Cultural industries are the commercial enterprises that transmit cultural expression, at home and abroad.

As we enter trade negotiations, some in Canada are extremely concerned with the effect these negotiations might have on Canadian cultural industries and therefore on our ability to express and develop our national sovereignty. I respect their concern. Two questions are at issue. One is the vitality and support of Canadian culture. The second is the negotiation of trade rules that might affect cultural industries. We distinguish between these questions.

Our government's intention to promote culture in Canada through direct financial support is simply not at issue in a trade negotiation. The issue of whether or not specific Canadian cultural industries require special measures to assist them is a domestic issue that falls outside trade negotiations. Nor do we expect that the extensive framework of American government support for similar institutions in the US will be considered in trade negotiations either.

No country is more open than Canada to foreign cultural products. Anyone who doubts that should look at our book stores, our theatres, our cinemas, our magazine racks, our broadcasting system, our galleries and museums. Equally, no country in the world is more committed than Canada, to making the rules of international commerce more transparent and fair.

But not all sectors are of equal weight. We, as do other countries, reserve the right to make distinctions between sectors based on certain explicit criteria. In the US, you cast the net of "national security" over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you. We may disagree, but we should also recognize that friendly relations require a willingness to accept those differences.

But that commitment to cultural sovereignty should not stop us from seeking better trade rules for cultural industries. From Canada's point of view, better rules are both possible and desirable. For example, Canadian performing artists and writers have proven their excellence but they have found US immigration rules a barrier to access. Our film makers would like to increase their presence in the US market but have found the distribution system a major obstacle.

We are prepared to discuss with the US whatever concerns it may have. We expect a similar openness

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on their side. No doubt, as the negotiations progress, the US side will state that it cannot meet certain Canadian demands; no doubt we will do the same. This is how negotiations work.

But we can make certain understandings explicit. We are prepared to discuss with the US ways we can strengthen cultural industries through trade. But under no circumstances, are we prepared to agree to any measures which weaken those Canadian industries or undermine their capacity to serve our cultural needs.

Canadian culture is strong and vibrant and it will grow and flourish. But I am acutely conscious that Canadian culture and the Canadian economy must grow together. Our government believes we can strengthen our cultural identity while at the same time building on our economic relationship with the US. That is the modern reality in Canada.

Last year the total trade between our two countries amounted to over US \$120 billion (that's over \$150 billion Canadian), the largest exchange between any two nations. Twice as great as America's commerce with Japan, it is greater than your trade with all the nations of the European Common Market. The US does more trade with the province of Ontario than it does with the European Community; more with British Columbia than with China. In the case of New York, the trade of your state with Canada in 1984 was over \$15 billion; a figure larger than all US trade with France.

The pay cheques of over four million workers living on both sides of our border are directly dependent on our mutual trading relationship. Let me put it another way. Imagine if you will that the livelihood of almost every man, woman and child in your neighbouring state of New Jersey depended on our commercial relationship.

American investment in Canada represents some 80 per cent of all foreign capital in Canada (and 25 per cent of all US investment abroad) while Canada is the second largest foreign investor in the US.

Our economies do not grow at the expense of one another. They grow together. The evidence is clear. Even with your trade deficit, trade with Canada still brings jobs and advantages to the United States. Canada is your fastest growing foreign market. In spite of the high value of the US dollar, Canada last year bought \$53 billion in American goods. And trade for Americans as well as Canadians is spelled JOBS. In other words we have an economic relationship that is unique in its volume, unique in its breadth and depth and unique in the challenge and opportunity it presents to our two countries.

These negotiations will not be the first time that Canada and the United States will be sitting down to try to improve our trading relationship. In 1935, we concluded a bilateral trade agreement. Other countries joined us in 1938 and the principles of our bilateral accords formed the foundation of the postwar multilateral trading system. Together we also worked out the autopact agreement and the defense production sharing arrangements. Precisely because we have risen to the challenge before, we know that success at the end of the day repays the enormous effort, and good will and trust which negotiations require.

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We and the United States will also be negotiating with each other and with all our major trading partners in a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT).

Past rounds of multilateral trade negotiations under the GATT have brought the benefits of trade liberalization to both countries. And each multilateral round has, in effect, amounted to a series of mini-bilateral rounds in which the Canada-US agreement has always served as a significant building block to the larger results which have fostered our postwar prosperity.

The underlying reasons for seeking a new trading relationship are clear. There is now a common broadly shared understanding that economic progress is by no means inevitable. We have developed a growing awareness that our economies are confronting rapidly changing competitive challenges that will tax the collective wisdom of government, the private sector and labour for generations to come.

We have both been struck close to home by the harsh realities of unemployment and the social waste that brings. We are both confronted with the possibility that significant proportions of our youth may never see gainful employment unless we collectively meet the challenges that adjustment brings. And it is in this sense that economic renewal is not only a compelling objective shared by our two governments but a civic responsibility as well.

It is increasingly clear that no country can afford to insulate itself from the world around it, and the United States and Canada are no exceptions. Inevitably, as the pace of change accelerates, protectionist forces emerge, particularly from the weaker industrial sectors. But protectionist trade policies are costly. They restrain the industries of the future and they reward inefficient industries and producers who in turn pass along higher prices to consumers.

Hiding behind trade barriers will weaken our ability to offer competitively priced goods and services both at home and abroad. It will reduce the ability of Canadian and US exports to penetrate overseas markets. As President Reagan has said, "protectionism is destructionism".

Take steel. It's as basic a product as can be imagined. All the metallurgical coal used in Canadian furnaces in Hamilton or Sault St. Marie comes from south of the border, dug from the pits of Pennsylvania. A good portion of our iron ore, the other basic ingredient, comes from the mines of Duluth. Every time we produce a sheet of rolled steel it has a 20 per cent US content. If these exports are curtailed it is not just the Canadian steelworker whose job is lost, but the jobs of your friends or relatives in Scranton or Harrisburg.

What we should be looking at in our two economies is the creation of more and better quality jobs, with greater specialization and increased flexibility for both producers and workers. Just as increased protectionism would make us poorer, trade liberalization with secure and enhanced access to each other's markets will enable us to save jobs now and create new jobs in the future.

I firmly believe that Canada and the United States share common objectives in these bilateral and

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multilateral negotiations. Our common weal is the pursuit of increased economic prosperity. Because we desire economic growth, we seek the removal of obstacles to such growth. We share the desire for a better and more predictable climate for investment and we both want increased employment.

Canada like the United States is committed to working through multilateral organizations like the GATT to keep the world trading system open. It is in the interest of all nations that we no longer delay the beginning of the next round of the GATT negotiations. We see bilateral and multilateral negotiations as mutually supporting.

What we, as a government, will be seeking through bilateral and multilateral negotiations has been clear for some time: we want a better, more predictable and more secure trading relationship with our major trading partner so that Canadians and Americans alike can plan, invest and grow with confidence, the kind of confidence that leads to more and better jobs.

No one should expect that negotiations between the two largest trading partners in the world will be anything but complex and tough. We expect the United States to field a hard and experienced negotiator as we have done. The round will be long. Obstacles will have to be overcome. We know where we are going and with hard work and mutual trust, we will succeed.

Fifty years ago, at a time when the worst ravages of depression were laying wreck to Canada's economy, our two nations began the long climb back to health when they agreed to place the trade relations of our two countries on a basis of mutual understanding for the first time since Canadian Confederation in 1867. Both sides recognized and I quote from the joint statement of President Roosevelt and Prime Minister King, "that an increase in trade would be beneficially felt in all activities, because trade is but another word for increased employment, transportation and consumption".

As we go forward let us recall this spirit. The Canada-US trade agreement of November 1935 opened a new chapter in our national trade relationship. It contained risks, but it also gave those without jobs in our countries hope and new opportunities.

A half century later it is time for us to move forward once again and re-lay the foundation for economic prosperity. Canadians are ready for the challenge. But we need your help and participation.

This is a bold and challenging initiative for Canada, one which holds great promise for both countries. We have stated our intention clearly. We have appointed an experienced negotiator. We are ready to take up the challenge. We have been heartened by your President's initial response. We look forward to meeting you at the negotiating table early in the new year.



# Statements and Speeches

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## THE SITUATION IN CENTRAL AMERICA

Statement by Shirley Martin, to the Fortieth Session of the United Nations General Assembly, New York, November 25, 1985.

Mr. President. This year marks the third occasion upon which the question of Central America has been brought before this body. I am confident that there is no one here who would argue against the need for our discussions to reflect the support of the entire international community for the development, acceptance and implementation of a workable, durable and comprehensive peace agreement for the entire region. The energetic attempts of the past six weeks led to renewed hope that such an agreement would soon be within our grasp. Alas, sadly and once again, we seem to be watching these undertakings trickle away like sand through the hour glass of negotiations.

After three years of continuous efforts by the countries of the Contadora Group [Venezuela, Colombia, Mexico and Panama] and the countries of Central America, after three years of slow progress, frustrations and dangerous incidents, we could be tempted collectively to seize upon a superficial solution — a quick fix — something that could be wrapped in all the right ribbons and signed by all the key players to the sound of trumpets. However, the history of cosmetic agreements designed for short-term solutions is well known. Canada believes that the result of such an approach now in Central America would be counterproductive and potentially disastrous.

It is from this perspective that Canada has attentively followed the events in the region over the course of the past year. In fact, when one looks back at the task that Contadora undertook some three years ago, one can only admire its tenacity, perseverance and demonstrated skill. At the outset, the obstacles to this task appeared insurmountable given the diversity of motives, the military disequilibrium, externally supported guerilla campaigns, the growing East-West dimension of the crisis as well as a declining standard of living for all countries of the area and, maybe above all, an overwhelming lack of mutual confidence that characterized the first months of negotiations.

Under these adverse circumstances, the agreement on the 21-point list of objectives in September 1983 could only be seen as a remarkable and highly significant accomplishment. At that time, Canada expressed the view in the General Assembly that enduring solutions to the region's problems could best be reached by the countries of the region. As we noted then, this approach is consistent with the highest principles of the United Nations (UN) Charter. Canada maintains this position on both points. What is needed now is a renewal of faith, a new impetus and above all a willingness to invest the confidence and hard work required to ensure just and lasting solutions within the area. The support of the United Nations and the world community are also essential elements in the search for peace, human dignity and eventual prosperity.

Canada views the current upheaval and unrest in Central America as primarily a function of chronic



social and economic injustice, coupled with persistent frustration over failure to institute the necessary economic and social reforms to meet even the most basic popular expectations. We realize that external interference and a tendency to view matters in an East-West context have exacerbated and aggravated an already complex situation. Based on our perspective, reflecting the growing concern of Canadians for the region in the recent years, our response, beyond strong support of Contadora, has been to focus our main efforts on bilateral development assistance. Thus, in 1981, we announced a tripling of our aid to Central America. Since then Canada's policy towards Central America has evolved and been refined taking into account both our humanitarian concerns and the geopolitical realities of the area. I must stress, however, that Canadian development assistance in Central America is not given on the basis of politics or held back to reward or penalize governments. Indeed, such a generalized practice would contradict our fundamental policy which aims at promoting the economic and social development of disadvantaged people so that they and their children may look forward to an improved quality of life. Regrettably, however, internal situations do arise which have led us to suspend individual bilateral aid programs, as has been the case in certain countries. We are pleased, however, that at least in one case, we have been able to resume our development assistance programs in light of positive developments. Canada continues to believe that the respect for human dignity and basic human rights in each of the countries of Central America constitutes a fundamental element of the return to peace and stability in the region. Such respect remains a transcendent concern of Canada and a visceral preoccupation of Canadians.

Briefly stated, Canada's concerns in Central America are, in large measure, the same as those which motivate the countries of the Contadora Group themselves. There are honourable exceptions, but we are appalled by the disregard for basic human rights. We are troubled by poverty, the declining quality of life, the displacement from their homes of over two million people or about one-tenth of the population of the entire Central American region and foreign military interference. We fervently hope that all the parties involved in the various Central American conflicts will refrain from increasing the already alarming level of militarization of the area. In the broader context, as a fellow Commonwealth country, we cannot fail to note the severe socioeconomic problems caused for Belize, a small nation, not a party to any conflict, but host to thousands of refugees from those states that are. Our policy towards the region reflects both our compassion for those who are suffering and our pursuit of good neighbourliness in the Western hemisphere.

This is one reason why we have expressed our support for Contadora since its inception and why we have provided practical forms of diplomatic assistance. At the request of the Contadora countries, Canada prepared detailed comments on the control and verification mechanism at the various stages of the draft Contadora Acts, based upon our long experience in the field of UN peacekeeping activities. We have also been assisting the reconciliation efforts in Nicaragua by witnessing in Bogota and Mexico the talks between representatives of the Sandinistas and the indigenous opposition group Misurasata.

We believe that the creation of the Support Group composed of Uruguay, Brazil, Argentina and Peru as well as the recent conference held in Luxembourg between the European Community, Spain and Portugal, the Contadora Group and the Central American countries constitute valuable efforts to strengthen the peace process in the region. These efforts have our full support, as do the complementary

measures that have been taken from time to time to foster dialogue between the protagonists in the region. In this context, we were heartened to hear the references to dialogue in the statement last Friday by the United States representative, Ambassador Walters, particularly inasmuch as we recognize dialogue between the United States and Nicaragua as a key element in the search for lasting solutions.

We witness in Central America both an era of uncertainty and a time of frustration. Guatemala, Honduras and Costa Rica have recently held or will hold shortly national elections which constitute a renewal of democracy and thus contribute to the strengthening of peace and stability in the area. But the economic crisis continues to take its toll. Border incidents between neighbouring countries are all too frequent. External influences have added pressure and continue to increase tension. Some of the countries of Contadora have just suffered terrible natural catastrophes and to them we continue to extend our sincerest sympathy and help. But as long as the people of Central America cry out for peace and reconciliation, we cannot lose hope. They must not lose hope. The pursuit of the efforts of the Contadora countries in conjunction with the governments of the region are, of course, even more crucial to them than they are to us. It is more important than ever, therefore, that Contadora pursue its valiant work towards a comprehensive regional agreement. There are those who diminish the Contadora peace process — those who say it has achieved too little, the question for the detractors however is obvious: where might we now be without it? Contadora has helped to keep the lid on an increasingly explosive situation; it has created a framework for peace. It will require even more patience and, moreover, the indispensable political will of the parties involved. Continued regional dialogue is the only possible means to find a solution to this most complex crisis. The task is enormous but it is patently obvious that the stakes are even greater.

Canada is willing to continue to help in the design of essential security provisions of a Contadora Act in response to requests from the Contadora Group. We are also prepared to maintain our development assistance to the governments and peoples of Central America. Perhaps most important, Canada and Canadians will continue to view events in this troubled region with humanitarian interest and concern.







# Statements and Speeches

No. 85/28

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- 571



## ON BEING GOOD NEIGHBOURS : CANADA AND THE UNITED STATES

Notes for an Address by the Right Honourable Brian Mulroney, Prime Minister, to the University of Chicago and the Time Speakers' Forum, Chicago, December 4, 1985.

... Canadians and Americans enjoy a bilateral relationship unparalleled in breadth and complexity. Our mutual respect for sovereignty and for our distinctive character is fundamental and enduring. This evening, I address the future of our already deep friendship, a future [ which ] I believe is rich in its promise of a yet more rewarding partnership.

As you know, a little over a year ago, Canadians elected a new government, with the largest parliamentary majority in our history, a national government, representative of every province, and supported by majorities of both English and French speaking voters. That mandate, in its nature and in its size, is unique in our history. We see it as an historic opportunity to set a new course for Canada.

This is not the time or place to discuss what has gone wrong in Canada in recent years — in our politics, in our economies, in our relations with the world outside. Let me speak, instead, of what it means for the future — of the three great tasks we have set for the government and for the country. Those tasks are national reconciliation, economic renewal, and constructive internationalism.

My country, like yours, is a federation. Our provinces have control over their natural resources, rights to certain revenue sources, and responsibility for important areas of social policy such as education and health. The national government has the power to levy any form of taxation, and, over the years, has become committed to massive equalization payments to provincial governments; and, in effect to joint financing of health care, post-secondary education and other social programs.

At its best, Canadian federalism is sensitive both to national goals and regional circumstances. It is accommodating. It is flexible. It is creative. It achieves much good. Our federalism has rewarded us richly in the past; it will do so in the future.

That is just one sound reason why the new government had to rewrite the National Energy Program of our predecessors. We negotiated the western accord with Alberta, Saskatchewan and British Columbia. We signed an historic agreement with Newfoundland and Labrador; a new frontier exploration policy, and a natural gas pricing agreement involving both the producing provinces and the consuming provinces. We want our Canadian energy sector to be, not a source of political and regional conflict but of national economic growth and development. We believe our new policies now make this possible.

One of our earliest initiatives was to do away with the Foreign Investment Review Agency. We brought in a new Investment Canada Act with a positive mandate to encourage new investment from domestic and foreign sources while recognizing the special nature of the cultural sectors of our economy. These

measures have helped restore a more positive climate to federal-provincial relations in Canada. Differences there will always be. Recognition of diversity is at the source of a federal system, like yours or ours.

The task of national political leadership in such a federation will always be to reconcile differences, to harmonize policies, to equalize opportunities, to build on regional strengths, to respect historic and cultural differences, and always to set before the nation a vision of what we can accomplish, together.

Two days ago, there was a provincial election in Quebec. The issue was not separatism — the option had been set aside prior to the election. In the absence of such a policy, both major parties campaigned essentially on economic issues. Both major parties were competently led; both waged aggressive but elevated campaigns.

Both parties set out similar objectives. The question was which party could best bring about jobs and economic growth, within the federal framework. On Monday, Quebecers spoke. They elected a government committed to a strong economy, and co-operation with the federal government in Ottawa.

The verdict therefore can only enhance political stability in Canada and contribute to economic renewal. The improved climate in federal-provincial relations; the new energy policy; the more open investment policy; these are essential conditions for renewed economic growth and job creation in Canada.

There is no doubt that real economic renewal has begun. All the indicators — gross national product (GNP) forecasts, interest rates, inflation, housing starts, employment, capital investment — are improving. In some cases they are better than yours. Most important, confidence is being rebuilt. To restore confidence, we also have to get the public finances in order and we are committed to a plan of deficit reductions over the next five years.

We have purposely sought to open our doors to trade and investment. We want to ensure that the opportunities for business to invest and grow are helped, not constrained, by government policy. This was the message I brought to investors in New York one year ago. It is a message that I repeat to you today: Canada is open and ready for business. Our country has always been a good place for investment. We are making it an even better place to do business.

Canada's economic future depends, of course, on trade. One Canadian job in three depends on our ability to compete in export markets. Obviously we have a vital interest in keeping the world trading system open. Indeed, we have worked with the United States to start a new round of multilateral trade talks. Canada, like the United States, wants the new round to include trade in agriculture, in services, and in intellectual property. We will vigorously pursue that policy at the economic summit in Tokyo next May; and at the General Agreement on Tariffs and Trade (GATT) in Geneva. Almost three-fourths of Canada's exports, accounting for 20 per cent of our GNP, go to the United States.

The imperative for Canada, then, is not just more open multilateral arrangements, but stability in our bilateral trade relationship with the US. We want more secure access to this market while recognizing that the removal of barriers opens trade in both directions.

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It was with jobs and economic prosperity in mind that on September 26 I announced in our Parliament that the Canadian government wants to pursue a new trade agreement with the United States. This followed on the declaration that President Reagan and I made in Quebec city last March, to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade. We have been encouraged by the response of the United States, first from President Reagan in September, and last month from Secretary of State Shultz.

Our objectives in the trade talks are very clear:

- (1) to secure and expand market access;
- (2) to institute a better framework of rules for dispute settlement — more certainty, more predictability — hence a more confident basis for investment, expansion, modernization, and specialization;
- (3) to compete fairly, both in North American and in global markets;
- (4) to face up to adjustment, not just from US competition, but from the imperatives of a fiercely competitive global market.

Our purpose, in short is to raise incomes, job opportunities and living standards on both sides of the border.

If we and our American partners cannot strike a deal that will achieve these goals, a deal will not be struck. Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character — these are the essence of Canada.

They are not at issue in these negotiations. Canada is a bilingual country, in law and increasingly in practice. Our bilingual character is one of the reasons federal and provincial governments promote culture through direct financial support; it is why there are special rules regarding our cultural sector in our Investment Canada legislation. When it comes to discussing better trade rules for cultural industries, you will have to understand that what we call cultural sovereignty is as vital to our national life as political sovereignty. And how could it be otherwise living, as we do, with a country ten times our population.

Canada and the United States are different sovereign democracies. In the United States, you cast the net of national security over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you.

Notwithstanding the concerns that always arise from the prospect of change, I am convinced that Canadians strongly support our attempt to negotiate a new trade agreement with the US. There is in Canada, as in the United States, some scepticism as to whether any such agreement could get by a Congress which seems to be growing more and more protectionist. To these sceptics, and indeed to the Congress, let me underline the important stake you Americans have in our bilateral trade.

Canada is your biggest export market. Despite the higher level of the US dollar, we bought \$53 billion in American goods last year. We take 20 per cent of all your exports, and those exports are concentrated in manufactured goods. Canada is your fastest growing market, increasing 40 per cent in the past two years. In Illinois alone your exports to Canada grew in 1984 by 25 per cent to a record \$3.8 billion.



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Last year the trade in goods and services between our two countries amounted to close to \$150 billion, the largest exchange between any two nations in the world. It is 50 per cent greater than America's commerce with Japan, it is also greater than your trade with all ten nations of the European Common Market combined. The pay cheques of over four million workers living on both sides of our border are directly dependent on our mutual trade.

Obviously, then, it would be a mistake for US Congressmen, or businessmen, or workers, to underestimate the importance of the economic relationship with Canada.

When I speak to you of the mutual advantage to be gained from more open trade between our two countries, I underline the word mutual. And when I speak of the mutual danger of protectionism, again I underline the word mutual. American investment in Canada represents some 80 per cent of all foreign capital in Canada (and 25 per cent of all US investment abroad). Canada is among the largest foreign investors in the USA.

And we are more than economic partners. We have joint tenancy of this great continent and of its environment. We have a joint responsibility to preserve this environment, on land, in our waters, and in the air. Governments, individuals and a host of private and public institutions co-operate across the border in a multitude of endeavours, for the benefit of our two peoples and, in some cases, of mankind.

We are partners in North American air defence systems and allies in the North Atlantic Treaty Organization. That relationship, which offers so much benefit to our peoples and so great an example to the world, cannot thrive in an atmosphere of economic protectionism. For history teaches us that protectionism in one area begets retaliation in another.

Parochial economics and politics on one side lead to narrow nationalism and discrimination on the other side. Protectionism in international economics leads to isolationism in international politics.

I know that President Reagan shares this view, and I echo his words — "protectionism is destructionism". With some 300 protectionist bills currently before the Congress, all who believe in the benefits of a more open world trading system must take a stand.

On both sides of the border, we must confront the forces of isolationism and beggar-thy-neighbourism with a better idea. That better idea is to move forward, not backward; to enhance and improve the biggest bilateral trading relationship in the world; to try to negotiate a new bilateral agreement that will be fully compatible with our mutual obligations under the GATT.

Canada and the United States are good neighbours. Our countries have been inspired, by a common heritage of democratic institutions, by the guarantee of equal justice under law and by a common international purpose — the promotion of peace and the preservation of freedom.

There is inspiration and hope in our future partnership. The achievement of a new economic agreement between two sovereignties on this continent would give our peoples more abundant opportunity to live secure, prosperous and satisfying lives as Canadians and Americans....



# Statements and Speeches

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## COPING WITH GLOBAL INTERDEPENDENCE

Speech by Sylvia Ostry, Canadian Ambassador for Multilateral Trade Negotiations and Personal Representative of the Prime Minister, Economic Summit, to the International Monetary and Trade Conference, Philadelphia, December 8, 1985.

It has now become fashionable to talk about global interdependence. It has made its way from the pages of dull textbooks to the desks of bright politicians. But its precise meaning is not always clear; still less its policy implications.

I see two broad meanings in global interdependence as applied to matters of economics. It embraces the term of increasing economic linkage among countries through the continuing development of trade and especially financial flows. It also covers a somewhat different, though related concept, that is, the interrelationships among the powerful forces shaping the present and foreseeable world economic system: most obviously in the complex nexus emanating from macroeconomic policy, capital flows, exchange rates and trade.

In these two manifestations of interdependence there is a common message. Interdependence clearly conveys a sense of amplified risk but also unprecedented opportunities for joint gains.

The policy implications are important both for individual governments and for international economic institutions. Many policy issues traditionally perceived as subject only to internal criteria are increasingly exposed to the intrusion of international objectives or have major spill-over effects on the international economy. In no country as yet is the decision-making process fully adapted to this blurring boundary between domestic and international economic policy.

The multilateral institutions are also under pressure to adapt. The structure established after the Second World War to promote economic development, orderly financial markets, and an open world trading system, rested on a tripod — the World Bank, the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT). Today's world economy has become immeasurably more interdependent than the one these institutions were designed to serve. The "old multilateralism" worked surprisingly well for several decades, but unless it is adapted and strengthened it will be unlikely to meet the needs of the 1980s and beyond.

The problem, however, is one of timing. There are two clocks ticking: the clock of rapidly accelerating economic interdependence and the clock of domestic and multilateral decision-making. But they are not, as yet, ticking to a simultaneous schedule. We have yet to agree on the economic policy equivalent of Greenwich Mean Time.

Nonetheless there are signs, very recent ones, that we may now be moving toward synchronization. The

last half of 1985 has seen some highly interesting developments pointing to a possible breakthrough in international economic co-operation. I want to talk about this tonight. First, however, to put these developments in perspective, let me sketch the economic background.

The world economy is now in its third year of recovery from the 1981-82 recession. But it is a recovery characterized profoundly by asymmetry and imbalance. The place and nature of the up-turn differed markedly among the major "blocs" of the Organization for Economic Co-operation and Development (OECD) — North America, Europe and Japan. This divergence, apparent in 1983, was even more marked at the peak of the recovery, in 1984, when the US grew at nearly three times the pace of Europe and a full percentage point more than Japan. The present and projected convergence in growth rates is largely due to a slowing in US growth rather than a compensatory acceleration in the other two blocs.

The divergent growth pattern — especially marked across the Atlantic — was itself both the consequence and the cause of the serious imbalances in the OECD economy.

The most visible manifestation of divergent recovery has been the dramatic imbalance in current account positions within the OECD, as exemplified by unprecedented current account deficits in the US and growing surpluses in Japan, Germany and some other European countries. Differential growth rates accounted for perhaps a third of the US current account deficit. The other major factor (in addition to the loss of dynamic less developed country (LDC) markets) was the stunning appreciation of the dollar. The US locomotive had an extra engine.

The exchange rate misalignment itself was a function of capital rather than trade flows (an indication of how the trend to global integration of capital markets has turned the external "adjustment process" upside down). These capital flows, in turn, were at least in part attributable to another fundamental imbalance in the OECD economy — the stark contrast in fiscal policy between the US on the one hand and Europe and Japan on the other. While the cumulative swing to fiscal ease between 1982 and 1985 in the US amounted to nearly 4 per cent of its gross national product and was the primary force pulling the world economy out of the deep recession of the early 1980s, the comparable change in the direction of fiscal restriction was 2.5 per cent in Japan and over 3 per cent in Germany.

The fiscal imbalance and consequent high real interest rate was, obviously, one major cause of the dollar's rise. Yet, at a deeper level, there is a more ominous disequilibrium. The gap between US savings and US demand (including the massive budgetary deficit) has been filled by drawing on savings from abroad. A mirror image of this basic savings-investment gap exists in Japan. There, net savings are not fully absorbed by domestic demand but exported as capital flows, mainly to the US, matched by a huge and growing flood of manufactured exports. The Japanese structural savings surplus is the root cause of the enormous and growing Japanese current account surplus.

Finally — to complete the catalogue of imbalance — the recovery has produced dramatically different results in employment as between Europe, on the one hand, and the US and Japan on the other. The European unemployment problem goes back 15 years and is most vividly revealed by a startling statistic:



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there has been no net job creation in Europe as a whole since 1970. The recovery after the 1982 recession made little impression on the European unemployment rate: it appears to be stuck in the 11 to 12 per cent range. By contrast, the US unemployment rate dropped from a recession high of nearly 11 per cent to its present level of around 7 per cent.

European unemployment is variously attributed to rigidity of labour markets and deficiency of demand, but there is little agreement on what portion of this unemployment would yield to an easing of macro-economic policy, without re-igniting inflation. There is a growing risk, moreover, that as unemployment persists, the demand-deficient portion becomes resistant to the easing of policy, both through a process of inadequate investment over a prolonged period, and an erosion of workers' skills and work habits.

These imbalances that I have described have separate identities but they are clearly interrelated. Moreover, in combination they pose a signal danger: they provide a uniquely fertile breeding ground for protectionist pressures. In all countries the temptation is present to resist the consequences of the imbalances by resorting to protectionist devices.

The so-called new protectionism has been on the increase for at least 15 years but appears to have accelerated since the recession of the early 1980s. The increasing use of non-tariff barriers (NTBs) is particularly noteworthy. According to the OECD, by the end of 1983 the product groups subject to NTBs accounted for 30 per cent of total consumption of manufactures in OECD countries, up from 20 per cent in 1980. An especially pernicious aspect of the border measures is that they create a constituency for their maintenance or even extension in both the importing and exporting countries. There is nothing in the history or analytics of managed trade which suggests it would be self-correcting.

Neo-protectionism also takes another insidious form, more difficult to measure: a proliferation of domestic policies (subsidies, regulation, tax expenditures, transfers) that have the effect, if not always the express intent, of managing the flow of trade but are considered domestic terrain and largely immune to the rules and procedures of the GATT.

The well-spring of neo-protectionism in the industrialized world has been the unwillingness or incapacity to adjust to the on-going structural changes and shocks of the 1970s — exacerbated by exchange rate turbulence and the deep recession of the 1980s. GATT — the unfinished leg of the postwar multi-lateral tripod — was not designed to deal with the blurring boundaries of domestic industrial policy and trade policy nor with the massive diversion of trade flows impelled by prolonged exchange rate misalignment.

Finally, apart from its harmful effects on industrial countries, rising protectionism is incompatible with the sustainability, let alone the resolution, of the global debt problem. Continued access to OECD markets is a necessary, though not sufficient, condition for the debtor countries to earn the foreign exchange necessary for managing existing debt, for building the confidence in the international community on which future financial flows will depend, and for growth.

Thus the economic background to the "events" of 1985 (the Bonn Summit, the G-5 [the United

Kingdom, the US, the Federal Republic of Germany, France and Japan ] meeting of September 22, the Baker initiative in Seoul) was characterized by a complex matrix of interrelated problems. What are the implications for policy?

First, and most fundamental, is the fact that the prolongation and exaggeration of imbalance has ruled out a unilateral US solution to the growing systemic strains. The standard prescription of summiteers and others — a substantial and sustained reduction in the US fiscal deficit — would both lower interest rates and the dollar but would also, for a time, reduce (already slowing) US growth, since the induced lower interest rates would stimulate activity and the lower dollar [would] increase net exports only with a lag. The net result of this unilateral policy would be to lower activity in the rest of the world because the impact of lower US growth and enhanced US competitiveness would outweigh the (lagged) stimulative effects of lower interest rates and improved terms of trade.

The consequences of lowered world growth on the heavily indebted countries would be very serious indeed and hardly needs spelling out here.

Further, although the main focus of US trade policy prior to the Bonn Summit had been the launch of a new GATT round as a bulwark against the rising protectionist tide, it was increasingly clear that a new round in and of itself could prove inadequate unless US export prospects were enhanced by improved competitiveness and by growing, rather than shrinking markets abroad, a development which was rather improbable with unchanged policies in the other major economic blocs. Moreover, enhanced American competitiveness (and the need to service expanding US net foreign debt) implies an eventual turnaround in the US trade account which could provoke serious protectionist response in a sluggishly growing Europe and "import-resistant" Japan, thus again threatening the breakdown of the trading system and the renewed eruption of a global debt crisis.

The logic of linkage is thus both clear and relentless. It starts with macroeconomic co-ordination as the necessary foundation to preservation of the international trading and monetary system. But the lessons of recent years show that it is not enough. In both the domestic and international sphere, trade policy and structural adjustment — micro and supply-side — are as important as monetary, fiscal and exchange rate policies — macro and demand-side — to the effective functioning of the world economy. The required scope for effective co-operation is thus very broad indeed.

In 1985 Act One in the long-running drama entitled "Coping with Global Interdependence" took place in the Palais Schaumborg, Bonn. The critical reviews were not kind. One, headlined "The Little Summit that Wasn't," captures their flavour:

"From May 2 to May 4, some 3 000 newspaper and television reporters revived old friendships in Bonn, and a day later President Reagan laid a wreath at the West German military cemetery at Bitburg. Oh yes: at more or less the same time the leaders of the US, Britain, West Germany, France, Italy, Canada and Japan held their annual economic summit. Not much happened." (*Business Week*, May 20, 1985)

That assessment is not only unkind but also misleading. If (with the benefit of hindsight) the critics

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had known that what took place at Bonn was not the first act of the 1985 drama but the last act of a play that started in 1980, quite a lot happened.

The most significant outcome of Bonn — a “first” in summitry — was a declaration by each country of its own economic strategy and objectives. These were strikingly similar: reducing structural rigidities and maintaining prudent fiscal and monetary policies (Japan, in addition, stressed her determination to reduce import barriers).

But the remarkable degree of policy convergence — on the importance of the role of markets and the reduced role of the state — had a deeper implication. Policy convergence — getting one’s own house in order — was the recipe for coping with global interdependence which had dominated summitry and other fora since the onset of the 1980s. Policy convergence implies “hands off” both domestically and internationally. Bonn was the apogee of this view.

Act Two was staged at the Plaza Hotel in New York on September 22: the cast — the G-5 finance ministers and bank governors.

There has been a good deal of debate about the true significance of the G-5 meeting, not because the G-5 met since they have done so regularly for many years, but because of the degree of publicity attached to the meeting and its timing — on the eve of a major trade policy speech by President Reagan and just before the annual meetings of the World Bank and International Monetary Fund.

The main focus of the Plaza meeting was exchange rates. The G-5 announcement noted that “exchange rates should play a role in adjusting external imbalances...[and] in order to do this...should better reflect fundamental economic conditions”. They signalled the need for “some further orderly appreciation of the main non-dollar currencies against the dollar” and their willingness to “co-operate more closely to encourage this”.

In exchange markets, words often speak louder than actions. As we know, there has been a significant realignment among the three world currencies since September 22 —, especially an appreciation of the yen against the dollar, some of it due to intervention but a good deal due also to a perceived change in policy stance on the part of the US.

What was this change? In its reassertion of world leadership in international economic matters the US was also, it seems to many observers, rejecting the “hands off” or policy convergence view of international economic co-operation which was the heart of the Bonn Summit. By stressing the link between misaligned exchange rates and protectionist pressures or, alternatively, the interrelationship between the international trading system and the international monetary system, the G-5 underlined a fundamental aspect of interdependence which had not been explicitly acknowledged either at Bonn or any previous summits since 1980. What was missing from the Plaza *communiqué*, however, was a recipe for macro-economic co-ordination. If we distinguish between policy compatibility and policy convergence, the former involving, as Henry Wallich has suggested, a significant modification of national policies in recognition of international economic interdependence, the G-5 *communiqué* revealed little trace. *On verra*.

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From the Plaza we go to Seoul for Act Three, the annual bank-fund meetings, where the "Baker Initiative" was unveiled in early October. This plan proposed that structural adjustment efforts on the part of debtor countries be supplemented by increased structural and sectoral- (as opposed to more traditional project-) lending by the World Bank group, accompanied by net new lending by commercial banks and "a continued central role for the IMF...in close co-operation" with the International Bank for Reconstruction and Development. The full implications of the US proposal for the role of the Bank, its relationship with the Fund and the commercial banks as well as with the debtor countries remain to be fully spelled out, but there is little doubt that the initiative is another significant development in, and test of, international co-operation.

Finally, on November 28, in Geneva, the contracting parties of the GATT took a decision to establish a preparatory committee for the program of a new round of multilateral trade negotiations for adoption at a ministerial meeting in September 1986. You will be hearing more details of this welcome and important development tomorrow. I simply want to note that what will really be on the table in this round is a strengthened and reinforced multilateral trading system. This system is an international "public good" and it remains to be seen whether the obvious temptation for "free riding" which has characterized the past decade can be overcome.

Let me conclude on a hopeful note. There are signs that policy-making, both domestic and international, is beginning to adapt to growing global interdependence. The question, as I said, is one of timing. Perhaps fear of mutual peril will be the forcing mechanism rather than more high-minded appeals to concord, reciprocity and teamwork. A poem by Lewis Carroll is apt:

*The Valley grew narrow  
and narrower still,  
And the evening got darker  
and colder,  
Til merely from nervousness  
(not from goodwill)  
They marched along shoulder  
to shoulder.*



# Statements and Speeches

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## CANADA-US TRADE RELATIONS

Notes for an Address by the Honourable James Kelleher, Minister for International Trade, to the United States Council for International Business, New York City, December 11, 1985.

...Canadians and Americans are kindred spirits and friends — so much so that it's sometimes difficult to tell who's who. The relationship between our two countries is unique in the world. Canada is your closest partner — and you are ours — in almost everything either of us does.

We work together in the National Aeronautics and Space Administration's space program, we work together in the North Atlantic Treaty Organisation and the North American Aerospace Defence Command. Our business practices are similar. You have more money invested in Canada than anywhere else in the world. We have more invested in the States than anywhere else. New York's new World Financial Center, for example, is Canadian-owned. On a *per capita* basis, our investment in the US averages out to about \$1 000 for every Canadian man, woman and child.

Our close relationships obviously include trade. We do far more business with each other than do any other two countries in the world. The volume of our cross-border trade last year was US \$120 billion — or roughly one fifteenth of all world trade.

Rumours to the contrary notwithstanding, Canada is your biggest customer in the world. You sell more to 25 million Canadians than you do to the 280 million Europeans in the Common Market. You sell us twice as much as you do Japan. Indeed, the province of Ontario alone takes more American exports than does Japan. Not only is Canada your largest market, it's also your fastest growing market. Your exports to us climbed 20 per cent last year, and they're growing again this year.

What all of this means is that we, the only two nations between the Rio Grande and the Arctic, are interdependent. This would be a far different continent were we not. Trade between us is not a zero-sum activity. We both gain by it. It fuels growth in both our countries. And it provides a great many jobs. In point of fact, the jobs of more than two million Canadians — and of more than two million Americans as well depend on our mutual trade.

And yet, we insist on impeding it. We continue to maintain barriers of all kinds — tariff and non-tariff — to the movement of goods and services between us. We still have a trade wall, and it is a very effective deterrent to achieving the full potential of which the Canadian and American people are capable.

It is true that, through successive multilateral trade negotiations, this wall has been gradually lowered. By the time the final tariff cuts from the Tokyo Round take effect in 1987, up to 70 per cent of our trade will be free of duty. But that figure is somewhat deceptive. It is 70 per cent of the products we actually trade. It doesn't count the ones we would like to trade — but can't, because the tariffs are too high. You have a 42 per cent duty on men's suits, for example, and tariffs of from 15 to 23 per cent on our petrochemicals.

In the meantime, non-tariff barriers have emerged on both sides of the border to add new problems to trade and investment. And the pressures for more protectionism seem to be growing. There are more than 300 different protectionist bills now before the US Congress. That is very troubling. It is troubling in general terms for the effect that it might have on global trade. It is troubling in specific terms for the effect it might have on specific industries. Let me take a moment to look at the one that is currently centre-stage, softwood lumber.

There are now three bills before Congress to curb your imports of our lumber. Two of them call for quotas or tariffs, and the other would change American trade laws to permit a countervailing duty. These bills were introduced in spite of not one but two investigations by the US Department of Commerce. These two American studies concluded that Canadian timber is not subsidized. These two American studies concluded that Canadian timber does not present unfair competition to American producers. What the Commerce Department found was that Canada was competing by the rules of fair trade.

Our lumber helps build your houses and this means jobs not just for the construction industry but for wholesalers, retailers and transportation companies. Most importantly, it means housing at the lowest possible cost to the consumer. Wharton Econometrics of Philadelphia recently concluded an analysis of the effect of tariff-induced increases in US lumber prices. Let me highlight their conclusions:

- A 30 per cent tariff-induced increase in lumber prices would result in a small increase in employment in four states (Alabama, Georgia, Mississippi and Oregon). The principal beneficiary, Oregon, would gain 188 jobs.
- Each of the other 46 states would experience losses in employment. California would lose 3 765 jobs, and eight other states would lose at least 1 000 apiece.
- The net effect of such a measure would be a loss of 15 000 jobs in the United States. Wharton did not go into the havoc it would raise in Canada.

Lumber is obviously not the only irritant in the trade between us. Given the immense volume of business that we do with each other, there are bound to be some disputes, and at present there are 18 formal actions going — eight on your side, and ten on ours, involving everything from potatoes and raspberries to iron and steel.

These are some of the reasons that we in Canada believe a new bilateral trade agreement would be in the interest of both sides. The initiative got underway two and a half months ago, when Prime Minister Mulroney sent a letter to President Reagan indicating our interest in exploring the scope and prospects of an agreement, and we in Canada are extremely pleased that the President has now notified Congress that the Administration intends to proceed. The significance of this initiative, and of the President's action yesterday, cannot be overstated. These bilateral trade negotiations will, I believe, be of historic importance for both the United States and Canada, and I look forward to getting them underway soon.



I might mention that there is plenty of historic precedent for a bilateral trade agreement between us. Five decades ago, the world was in the midst of the Great Depression, and trade wars had broken out to make things worse. Canada and the US were the first to react to the rampant protectionism of the times. In 1935, we signed a bilateral agreement to bring the barriers down, and its principles became the foundation for the multilateral trading system we have today.

I don't believe it would be going too far to say that a new bilateral agreement between us might yield somewhat similar results. A new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) is expected to begin next year, supported wholeheartedly by the United States and Canada. Negotiations for this eighth round will take many years. They will not be easy, for not all the world's trading nations are agreed on what they should cover. If Canada and the United States could lead the way, if we could show the rest of the world that trade liberalization is to everyone's advantage, I believe it likely that the multilateral negotiations would yield better results — that more barriers would come down faster throughout the world.

Some people in both our countries have questioned the need for bilateral negotiations. They say we should rely only on the multilateral process under the GATT. But they are wrong. The GATT is vital to the maintenance of an orderly trading system throughout the world, and it has brought real gains in attacking trade barriers. But it must take the needs and aspirations of a 100 nations into account, and so its progress is necessarily slow. By itself, it is not equipped to address the needs of a bilateral trading relationship as extensive, dynamic and complex as the one between Canada and the United States.

From Canada's perspective, our bilateral trade negotiations should be, as President Reagan pointed out, free of any preconditions. An agreement should aim to achieve three major mutual objectives. First, we seek assured and stable access to each other's markets so as to create employment in all regions of Canada and the United States and to stimulate balanced economic development in our two countries. Second, we believe that we should attack the remaining tariff and non-tariff barriers as a basis for ensuring that our producers can compete fairly, both in North America and in the rest of the world. And third, we need a binding agreement to institute a better framework of rules for dispute settlement. With more certainty and predictability, we will both have a more confident basis for investment, expansion, modernization and specialization.

A new trade agreement would need to come to grips with a wide range of trade barriers if it is to be of benefit to both sides. An agreement should aim at the reduction or elimination of tariffs over an agreed upon period of time, with phasing and transitional arrangements tailored to the needs of the sectors involved. But tariffs are only part of the package. It is in the area of non-tariff barriers that the most potential benefits are likely to come. We need to look at local content rules. We need to deal with "Buy America" and "Buy Canada" restrictions to government procurement.

We must focus on ways to reduce the scope for harassing each other's competitive exports. We in Canada are deeply concerned about the increasing level and scope of US trade protection laws — at the extent to which anti-dumping, countervail and emergency safeguard actions are being demanded

and considered. Sometimes these measures are aimed directly at Canadian products or services. Often they are aimed at others, but we get sideswiped by them. We believe it essential to seek a more predictable and more competitive trading environment between our two countries.

And here's where that renowned contemporary phrase, "the level playing field", comes in. In our view, a level playing field means playing by agreed to rules, not necessarily your rules and not necessarily ours. Not, in other words, rules that are unilaterally imposed by either side. We see the negotiation of rules agreed to by both sides, rules that are fair and balanced for both countries, as a major benefit of a new agreement. Put it all together and we both have much to gain from a new bilateral trade agreement.

There is considerable international precedent, by the way, for the success of bilateral trade agreements between neighbours of unequal size. Not long ago, I was in New Zealand, which has had a bilateral trade agreement with Australia for three years. New Zealanders are so delighted with it that they want to speed it up, to shorten the transition period provided for their industries to adjust. So, for that matter, do the Australians.

We do have some concerns about our cultural identity, however, which not all Americans understand. For all the similarities between our two peoples, there are differences as well, and we have no intention of giving them up. We are a bilingual country. We will remain so. We are committed to a wider net of social programs than Americans are, to our health and unemployment insurance, to our pension plans, to the reduction of regional disparities. We will remain committed to them. We also have special policies to protect and promote our cultural industries — such as publishing, broadcasting, records and films. These are vulnerable in any small country that borders on a large one, and we take — and will continue to take — special pains to preserve them.

These things — our bilingual character, our social programs and our culture — are all part of what we Canadians regard as our unique identity. They are part of what makes us Canadians, and they are not at issue in the negotiations we will hold with you. In an address at the University of Chicago last week, my Prime Minister had a pretty good explanation why they are not negotiable. "Canada and the United States," he said, "are different sovereign democracies. In the United States, you cast the net of national security over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you."

It is my firm opinion that Americans who understand Canada — including American trade representatives — understand and appreciate our concerns about our cultural sovereignty, and I expect their understanding will be reflected at the negotiating table.

So Canada is ready to start talking whenever you are. The Canadian team will be led by our newly appointed Trade Ambassador for the talks, Simon Reisman, a distinguished and experienced trade negotiator, and a former deputy Minister of Finance.

In the weeks to come, while Washington is putting its negotiating team together, we will be consulting

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extensively with the governments of Canada's ten provinces. The Prime Minister and all the provincial premiers met recently in Halifax and agreed to work very closely together on all aspects of the negotiations.

This agreement flows from the unique and special character of the Canadian federation. It in no way diminishes the primacy of the federal government in leading the negotiations. It is intended to ensure that our negotiators are kept aware of provincial interests, and that an eventual trade agreement with the United States will bring benefits to all parts of Canada.

We are well aware that we live in a tough and competitive world. A world growing more competitive by the day, a world in which the fifth generation of computers, the generation of artificial intelligence, is only a few years away.

...For both our countries, the challenge is to be creative rather than rigid, and to look outward rather than in. Americans and Canadians have an incredible capacity to create prosperity. Either of us can do it alone if we have to. But we will get much further much faster by working together, in an open and expanding market.







# Statements and Speeches

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## CANADA'S RELATIONS WITH THE SOUTHERN AFRICAN DEVELOPMENT CO-ORDINATION CONFERENCE (SADCC)

Address by Senator Duff Roblin to the SADCC annual conference, Harare, Zimbabwe, January 30, 1986.

... Canada together with all of us here will be considering the project details and five-year plans that the Southern African Development Co-ordination Conference (SADCC) has presented to this Conference. However, my main purpose at this moment is to affirm in a direct and concrete manner Canada's belief in the SADCC process. SADCC is to Canada one element of key importance by which the nine nations of this region grow and develop and achieve through mutual co-operation and self-help. One characteristic of the SADCC organization that I have noticed is that we do not often permit ourselves to deviate from the practical matters and economic business which make up our agenda. But who can ignore what dangerous times these are in southern Africa. South Africa is at the centre of world pressures: world pressures that are gradually being mobilized; pressures that are converging on South Africa so that there may be a new era in human relations in that country. And, of course, the SADCC nations are in the front line.

The Canadian government and people are part of that world pressure for peaceful change. We have taken our own national measures to this end. We have supported, especially, the recent Commonwealth accord in which Prime Minister Mugabe, along with other Commonwealth leaders in Africa, gave such wise counsel and leadership. We have not given up hope that the Commonwealth group of eminent persons, which was established at that time, may yet find an opening for reason and dialogue and communication with an heretofore intransigent South Africa. Furthermore, we are glad that a Canadian, Archbishop Edward Scott, is one of these eminent Commonwealth persons. However, while all this goes on, we are here. We are here on the ground. We continue to have work to do together. We continue to work together in order that the nine nations of this area may establish that essential economic basis for nation building which, together with practical and tangible co-operation, will ensure they continue to grow.

I cannot help at this moment but pay a tribute to the government and people of Zimbabwe who, in the SADCC process, have been assigned special leadership in the area of agriculture, for their remarkable and effective achievements, not only within their own country, but also for the agricultural leadership they have provided within the SADCC group itself.

Current activities in all areas are to be strengthened. New projects are to be conceived and new plans are to be laid. And, as economic power grows in SADCC, the region will be able to attain a political independence that will become more real and more sustainable. That is what SADCC is all about, it seems to me. It is not some magic cure-all, but it does some of the best work that is being done in southern Africa and Canada is proud to be one of the bilateral partners. The nine nations of SADCC control the master plans. Canada and the bilateral partners lend their aid and we are all together getting things done.

Since I reported to you last year, co-operation has moved ahead. Canada is now co-operating in some 15 projects for which our financial contribution is about \$54 million this year. In this conference we are working on five new projects which will require our support to the tune of \$78 million. Today I intend to sign a memorandum of understanding for three interesting projects. One has to do with electrical power, providing a link between Botswana, Zambia and Zimbabwe so that there may be a new source of energy for the northern part of Botswana. I also look forward to another memorandum that involves the expansion of Zambia's regional telecommunication centre which, together, with some additional expansions in five nations of this area, will make it possible for those countries — Zambia, Angola, Botswana, Lesotho, Mozambique and Swaziland — to communicate among themselves and to points outside of the African continent without having to go through an intermediary in South Africa as is now necessary. I hope to sign another memorandum that will lay the foundation for a program of industrial energy conservation in which Angola will take the leading part and in which all other SADCC countries will also participate and benefit. All in all, Canada is budgetting for at least a \$120 million contribution to the work of SADCC over the next five years.

We are happy to do this. Brian Mulroney, the Prime Minister of Canada, sent me here to tell SADCC that it has a friend in Canada and everybody needs friends, especially when troubles threaten. You can see friendly Canadian faces working in southern Africa with you. You know you have our tangible financial support in SADCC and you can count upon our friendship in the Commonwealth and in the great world at large. My message to you is that friends may rely on each other and now is the time for friends of SADCC to get to work.



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# STATEMENTS AND SPEECHES

  
No. 86/2

LEAVING ITS ALLIANCES IS  
NO CHOICE FOR CANADA

BY JOE CLARK, SECRETARY  
OF STATE FOR EXTERNAL  
AFFAIRS, SPECIAL TO  
THE GAZETTE

OTTAWA, CANADA

3 APRIL 1986

Canada



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No. 86/2

## LEAVING ITS ALLIANCES IS NO CHOICE FOR CANADA

### WEAKENED NATO, NORAD MIGHT TEMPT KREMLIN LEADERS

By JOE CLARK, Special to *The Gazette*, April 3, 1986.\*

OTTAWA — Gwynne Dyer (March 15) argues Canada should leave the North Atlantic Treaty Organization and the North American Aerospace Defence Command to make "nuclear war . . . less likely to happen." He believes we could become a Canadian Finland.

Both his assumptions are wrong.

Leaving the Western alliance would make nuclear war more likely. The Soviets might be emboldened by a break in the West. NATO would feel weakened, and some of its members might be driven to hawkish demonstrations of strength.

#### Road closed again

The atmosphere that led to the Reagan-Gorbachev summit could be shattered, and the road closed again to negotiated arms control.

Second, Canada could never be Finland. The Finns are an estimable people, shaped by their own nature and history. But their nature and history are different from ours.

We are proud of our role as an international peacekeeper, a moderate and reasonable country. But moderation is a means, not an end. Our purpose is to enlarge freedom. We prefer to do that by advocating peaceful settlement of disputes, by fighting poverty and famine, and by promoting respect for human rights.

But we have also always been prepared to defend our values, by force of arms if necessary. The determination and gallantry of Canadians in two world wars and in Korea are as much a part of our history as diplomacy and development. There is nothing neutral in Canada's nature or tradition.

Geography is not the paramount reason we belong in NATO or NORAD. Freedom is. Those alliances, with all their imperfections, defend a system of free societies and — by maintaining strength in the face of Soviet strength — help keep the peace.

It demeans Canadians, and misreads our history, to suggest that we stay in NATO because leaving it would displease the United States. We are in NATO because we belong there, just as we belong in the Geneva Conference on Disarmament, and in the fields of Asia and Africa teaching agricultural reform.

\*Mr. Clark is Secretary of State for External Affairs.



Indeed, Canada played a key role in the invention of NATO, which both asserts our commitment to freedom and provides the means for ensuring a collective Western approach to fulfilling that commitment. Through NATO, we and others can — and do — influence American policy.

Parenthetically, commentators who regard NATO as a Canadian burden rather than a Canadian invention nurture the notion that Canada is a country without identity or accomplishment.

There is no doubt that an uncontrolled arms race would threaten humanity. All countries have an obligation to reduce that risk, and a country such as Canada can have more influence than many others. We can best exercise that influence by being true to ourselves.

Part of our strength is our reputation for working consistently and constructively where we have expertise or standing — on verification, banning chemical weapons, nuclear non-proliferation, and other issues. Part of our credibility is that we do not pretend to be neutral. Part of our authority is that we do not grandstand.

When events move slowly, and fear and frustration increase, the temptation grows to make dramatic gestures. Regularly, as foreign minister, I am invited to embrace some dramatic extreme in Canada's name, so "our voice will be heard."

International events rarely respond to "voices." Change is almost always undramatic, a product of steadiness, not surprise.

Indeed, dramatic departures are often counterproductive. Dyer suggests that Canada's quitting NATO would inspire Poland to leave the Warsaw Pact. Almost certainly, the opposite would happen. The disarray we would cause in NATO would undoubtedly inspire the Soviet Union to insist on even greater solidarity within the Warsaw Pact.

What is more curious about Dyer's proposal is its timing.

Two years ago the world was worried by both an increase in arms and a decrease in contacts. Now, at least there is contact, between Soviet and American leaders, negotiators and populations.

The movement has been substantial on both sides. There is the real possibility of progress in reducing overall numbers of arms. The two leaders have agreed to meet regularly, and are appearing on one another's televisions. While progress will, inevitably, be slow, there is more hope now than for several years.

#### **Failed to divide**

These negotiations are happening, in part, because the Soviet Union was left with no doubt about Western solidarity. Attempts failed to divide NATO over Afghanistan, over missile deployment in Europe, or over the U.S. strategic defence initiative (SDI, or Star Wars). Jeopardizing the unit that led to Geneva could jeopardize Geneva itself.

Indeed, the resumption of negotiations between the superpowers makes NATO and NORAD even more important. While only two countries are at the table, all the world's people are affected by the results.

NATO provides Canada, and other allies, with direct access to the details of the negotiations, and influence on the negotiations. In the past we have proposed specific initiatives the Americans could consider raising at the table and have seen our proposals accepted. Surely we would wish to be able to do so again.







# Statements and Speeches

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## ARMS CONTROL OBJECTIVES

Statement by J. Alan Beesley, Canadian Ambassador to the Conference on Disarmament, before that Conference, Geneva, February 4, 1986.

Mr. President . . . As we began our deliberations here just a year ago, there was a note of cautious expectation in the air. The governments of the USSR and the US had only recently agreed to resume negotiations on the central arms control and disarmament issues of our time. Moreover, in taking this step, which entailed considerable statesmanship on each side, the two governments set themselves agreed negotiating objectives which are impressive in their scope and comprehensiveness, namely, "The prevention of an arms race in space and its termination on earth; the limitation and reduction of nuclear arms; and the strengthening of strategic stability." They stated as an ultimate goal "the complete elimination of nuclear weapons." We, and the watching world, saw a glimmer of hope.

Now, little more than a year later, that flame of hope not only remains alive, but burns a little brighter. Negotiators for the two governments completed three rounds of negotiations in Geneva during 1985. President Reagan and Secretary-General Gorbachev met in Geneva in November and issued an important Joint Statement, affirming *inter alia* the intent to accelerate the work of their negotiations. The fourth round of negotiations is already underway.

Happily, this process has produced more than rhetoric. Detailed and substantive proposals and counter-proposals have been made, reflecting a readiness on both sides to agree to major reductions in their respective nuclear arsenals as a first step toward implementing the agreed negotiating objectives in their entirety. Thus, in the Canadian view, the good faith and serious intent of each of the parties to these negotiations have been persuasively demonstrated. We applaud the constructive beginning which has been made in this all-important negotiation. We recognize that the negotiation is likely to be long and arduous and that to expect quick, comprehensive solutions on the many outstanding issues would be unrealistic. We urge the two parties to continue their negotiating efforts with all the determination, skill and patience that the importance of the subject matter demands, as they have pledged to do. Canada, for its part, pledges that in the Conference on Disarmament (CD) and all other relevant international fora, we will support, facilitate and attempt to reinforce these crucial bilateral negotiations.

It is a reality of our time that the US and USSR, by their separate and joint decisions, will determine central aspects of any international framework for preserving global security. But of course, the establishment of a stable basis for enduring international peace and security must not and cannot be a proprietary monopoly of the two superpowers. Their negotiations are of vital concern to all peoples; as Canada's Prime Minister has recently affirmed, peace and security is everybody's business. It is for every responsible government, through its national policies and by constructive participation in international fora such as the Conference on Disarmament where such issues are addressed, to make its own contribution to the collective international effort to come to grips with the complex and seemingly

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intractable issues involved in creating conditions for stable, enduring international peace and security. The Canadian government reaffirms its determination to do just that.

In this forum, the seriousness of Canada's commitment to the pursuit of realizable arms control and disarmament measures is well known. Canada's long-standing approach to arms control and disarmament, sometimes criticized as idealistic, is not starry-eyed but directed to the pursuit of practical and achievable goals. We see arms control not as separate from, but intimately bound up with the legitimate concern of all states for their national security. The essence of our approach has been expressed succinctly by Prime Minister Brian Mulroney in the following words, "The world at large should recognize that arms control is a component of, not a substitute for, a healthy national security policy. A wise and correct approach to security cannot ignore the virtues of arms control, just as arms control cannot ignore the requirements of national security. The search for either at the expense of the other is fruitless. And the search for both is imperative."

The Canadian government has set for itself six arms control priority objectives. These have been publicly stated by Canada's Prime Minister and were spelled out by our Secretary of State for External Affairs, the Honourable Joe Clark, in the Canadian parliament on January 23. These six priority objectives are:

- 1) negotiated radical reductions in nuclear forces and the enhancement of strategic stability;
- 2) maintenance and strengthening of the nuclear non-proliferation regime;
- 3) negotiation of a global chemical weapons ban;
- 4) support for a comprehensive test ban treaty;
- + 5) prevention of an arms race in outer space; and
- 6) the building of confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

We intend to pursue these objectives actively and by all means at our disposal. We will be pressing our views and policy objectives in bilateral talks with our allies, with governments of the socialist bloc and with the Peoples Republic of China and with the governments of neutral and non-aligned countries. We will play an active and constructive role in various multilateral fora, here in the Conference on Disarmament, in the First Committee of the United Nations General Assembly (UNGA), at the UN Disarmament Commission, in the Mutual Balanced Force Reductions talks in Vienna and at the Stockholm Conference and other Conference on Security and Co-operation in Europe meetings which address broad security-related issues.

We see the Conference on Disarmament, however, as pre-eminent among the multilateral fora dealing with arms control and disarmament. A heavy responsibility weighs on its 40 members. We are, in a very

real sense, negotiating on behalf of the international community as a whole. It therefore behoves us to approach our tasks with as much energy, patience, skill and wisdom as is at our command. Our governments must be prepared to seek out common ground which can become a basis for practical, operable measures.

Our collective record in recent years is not something of which we can boast. In the decade since the conclusion of the Environmental Modification treaty, we have failed to reach agreement on a single arms control measure. The reasons for this are of course multiple. It cannot be attributed entirely to the parlous state of East-West relations, though this has at times been an important factor. On occasion, agreements which have seemed within reach have eluded our grasp sometimes because some of us have pressed to expand the scope of an agreement beyond what has been effectively negotiable in this forum. The objectives sought were legitimate, but there may have been too much readiness to pursue the ideal at the expense of the achievable.

However, not all of our difficulties are due to divergent purposes or failures of political will. There is an increasingly pressing need to re-examine our procedures and processes with a view to ensuring the optimal use of the limited time, resources and energy at our disposal. I shall not dwell on the matter at this time, having intervened more than once during our 1985 session to make this very point. Suffice it to say that there are several procedural habits and routines which have evolved in this forum which could usefully be re-assessed in order to make our work more efficient and, just as important, less contentious.

I would urge again that you as our conference president, as you have already pledged to do with the support and co-operation of all delegations, give priority attention during this session to exploring and examining ways by which we might, by agreement, improve and streamline our processes and procedures so that we might better serve our governments and the peoples whom they represent.

Whatever our concerns about procedural matters, however, it is our primary task to deal with the substantive items on our agenda. I have alluded already to the Canadian government's generally positive appreciation of the course of the negotiations thus far between the US and the USSR. While this should be a source of encouragement to us here, it should not prompt us to slacken our efforts but rather to intensify them. It should entitle us to a heightened expectation that in this forum, where our first obligation is to seek out common ground and expand areas of agreement, we will be able to avoid political polemics, invective and recriminatory exchanges, which are out of place in any serious negotiating forum.

As in recent years, the negotiation of a verifiable, comprehensive ban on chemical weapons is a priority item on our agenda. Modest but detectable progress was made on this item during the 1985 session, but there is still cause for disappointment in spite of the strenuous efforts of Ambassador Turbanski of Poland, the chairman of the chemical weapons *ad hoc* committee. Known instances of recent chemical weapons use should add to our collective sense of urgency to attain the earliest possible conclusion of such a ban. We note with particular attention the affirmation by President Reagan and Secretary-General Gorbachev in their joint statement of their intent to "accelerate their efforts to conclude an effective and verifiable international convention" as well as their intention to "initiate a dialogue on



preventing the proliferation of chemical weapons." It is our understanding that this latter initiative is not intended in any way to divert efforts from the priority need to conclude a comprehensive chemical weapons ban; so too with respect to the statement contained in the proposals most recently made by Secretary-General Gorbachev raising the possibility of "certain interim steps," possibly involving multilateral agreement on matters relating to the non-transfer of chemical weapons. As others have pointed out, and indeed my delegation has in the past, it will be of limited utility if we get an effective bilateral convention which is not a comprehensive convention in both senses in extending to all the main issues under negotiation and in comprising a genuine non-proliferation convention.

Despite the considerable progress which has been made, there remain several difficult issues to be resolved if a chemical weapons ban is to be concluded. Among these, the verification provisions of the treaty will require especially serious and dispassionate effort if agreement is to be achieved. It will be recalled that, in April 1984, almost two years ago, the Vice-President of the United States of America tabled in this forum a draft treaty text which is the most comprehensive proposal yet before us setting out in detail the kind of verification regime his government prefers and would regard as adequate. Canada has indicated its readiness in principle to accept and apply the kinds of verification provisions contained in the US text. However, while there has been much criticism of these proposals, no delegation has thus far come forward with concrete, substantive alternative comprehensive proposals which would delineate with clarity the area of common ground and the areas of disagreement, thus providing a basis for serious negotiation with a view to arriving at verification provisions which would be acceptable to all.

The Canadian government noted, and welcomed, the reaffirmation by the US spokesman in the first committee of the UN General Assembly on October 31, 1985 that "No imbalance in inspection obligations is either desired, intended or contained in any provisions of the United States draft convention banning chemical weapons." The Canadian government has also noted with particular care and interest the recent statement by Secretary-General Gorbachev that, with reference to declarations of the location of chemical weapons production facilities, the cessation of production, the destruction of production facilities and the destruction of chemical weapons stocks, "All these measures would be carried out under strict control including international on-site inspections." We are greatly encouraged by this statement. We hope that during the present session of this conference the delegation of the USSR will be in a position to further elaborate on its precise meaning. The task of seriously negotiating effective, operable and politically acceptable verification provisions for a chemical weapons treaty will be difficult and time-consuming. However, it should not be postponed any longer.

During this session, the Canadian delegation intends to continue to make substantive inputs to the negotiation of a chemical weapons ban. We will be submitting a *Handbook for the Investigation of Allegations of the Use of Chemical Weapons*. The *Handbook* identifies procedures, equipment and standard formats which would go a long way toward ensuring that the findings of an investigation of alleged chemical weapons use would be as conclusive, convincing and impartial as possible. It reflects Canadian experience and expertise and our longstanding interest in various aspects of verification. It should be of particular value in relation to the provisions of a chemical weapons treaty dealing with a verifiable ban on chemical weapons use, as is being negotiated in this forum. We will also be submitting a technical working paper dealing with identification of chemical substances. We will be making

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available to all delegations through the secretariat a compendium of all chemical weapons documentation of this conference during the period 1983-1985 inclusive.

Another important item on our agenda is the prevention of an arms race in outer space, a subject on which there is widespread and legitimate public anxiety. Last year, an important step forward was taken when we were able to agree on a mandate for an *ad hoc* committee on this item. I pointed out at the time that it was a realistic mandate which takes into account and both complements and accurately reflects the realities concerning the bilateral negotiations already then under way between the US and the USSR, but does not undermine or undercut or prejudge or in any way interfere with those negotiations. At the same time, I expressed the hope that this mandate would not expire at the end of 1985 bearing in mind the wishes of some delegations who would like something more and something better. The view I then expressed continues to be the view of the Canadian government. The mandate has enabled us to make a beginning, but it has by no means been exhausted. It was attained only with great difficulty, skill and perseverance. Any attempt to negotiate it or re-negotiate it would almost certainly involve further lengthy discussion at the expense of substantive deliberation, with little prospect of agreement on a new mandate. Moreover, the political and negotiating context in which the mandate was agreed has not appreciably changed. Indeed, to the extent that the US and USSR are seriously coming to grips with the negotiating objectives they have set for themselves, including the prevention of an arms race in outer space, our need to ensure that our deliberations are complementary to, and not disruptive of, those negotiations is enhanced. Finally, I would note that, due to regrettable procedural delays, our substantive discussions on this item last year were seriously curtailed and as some delegations have pointed out we were able to have only nine meetings. Nevertheless, those discussions, in the Canadian judgement, got off to a reasonably good start. They were substantive. They were for the most part objective. They went some way toward elucidating the complexities and intricacies — technical, legal and political, and we have heard some of them today — involved in this process. However, they remain incomplete. The importance and difficulty of the subject demand that we discharge our last year's mandate with determination and dispatch before we embark on a new one. The reputation of the conference would not be enhanced by procedural wrangles on this item. As was the case last year when we submitted a broad survey on the existing international legal regime in outer space, the Canadian delegation intends to make concrete contributions to substantive discussions. In the process, we will be making available to all delegations, through the Secretariat, a compendium of the 1985 CD documentation on the subject.

The question of a comprehensive nuclear test ban remains an especially important item on our agenda. It has, unfortunately, become one of the more contentious issues. The intensity of feeling it generates reflects both the inherent importance of nuclear weaponry as a core element of the strategic policies of both the North Atlantic Treaty Organization and the Warsaw Pact, and the profound public anxieties arising from an awareness of the massive and relatively indiscriminate destructive power of such weapons. Because the use of such weapons on any significant scale would have serious repercussions not only for combatant states but, almost certainly, for all others as well, the active interest in this item shown by all delegations of this conference is legitimate and understandable. In these circumstances, there may be a consequential need to take care that the strength of our views and concerns, and the vehemency with which they may be expressed, do not become a hindrance to rational discussion of the central issues involved. Here or elsewhere, polemics will not lead the way to better understanding.

I wish to emphasize that a negotiated, verifiable comprehensive nuclear test ban remains a fundamental objective of the Canadian government. Canada continues to favour a careful, step-by-step approach to a nuclear test ban, both on procedure and substance although we respect the views of those who differ. The Canadian government is clearly on record as favouring the re-establishment in the conference of a subsidiary body to address this subject, and I now reiterate that position. Such a body must have a concrete and realistic mandate which would enable the immediate resumption of substantive work, with a view to negotiation of a treaty. We suggest that priority attention be given to reaching agreement on a program of work, which might address the issues of scope, as well as verification and compliance, with appropriately structured working groups. We sense among the countries represented in this room a growing recognition of the potential value of a focussed approach along these lines. The Canadian delegation would be ready to take an active and constructive part in implementing an agreed work program. We hope too that, in support of such efforts, there could be general agreement to press ahead with our important work on seismic exchanges.

Finally, although it is not a separate agenda item, I would like to speak briefly on the broad issue of verification. As is well known here, this is a subject of longstanding priority for Canada, going well beyond mere rhetoric. Significant amounts of the scarce financial and personnel resources available to the Canadian government are being devoted to a serious and methodical examination of the problems and issues connected with verification. Within Canada's Department of External Affairs, for example, a special verification research unit has been established, with an annual budget of a million dollars. As one concrete step, Canada's Secretary of State for External Affairs announced at UNGA 40 that the Canadian government has decided to upgrade in a substantial way its seismic facility in our Northwest Territories. By this and other means, we intend to accumulate a store of experience and add to our expertise which can increase Canada's ability to contribute in practical and constructive ways to the international negotiation of effective, verifiable arms control measures.

This Canadian approach reflects our firm belief that the verification aspects of arms control and disarmament agreements are in no way subsidiary or secondary elements but are integral and essential parts of such agreements, in some cases amounting to preconditions to final agreement, but not obstacles to be utilized to obfuscate or postpone serious negotiations. This approach reflects our view that questions of confidence are central to all arms control negotiations. The re-configurations of national arsenals which arise from arms control agreements both reflect and reinforce a certain level of reciprocal confidence in the intentions and capabilities of the parties. When it is appreciated that states are being asked to give up security based on weaponry in return for security based on arms control agreements, the importance of this element of trust and confidence is readily apparent. If the necessary levels of confidence are to be sustained and increased, all parties to such agreements must be able to assure effective compliance through adequate verification. Conversely, the inability adequately to assure compliance can lead to reduced levels of confidence, an increase of mistrust and, through a kind of vicious spiral, could bring the whole arms control and disarmament process to a halt. We, of course, recognize that the legitimate need for adequate verification can be abused. For our part, we are convinced that a rational but imaginative approach to verification, far from being a smoke-screen, is a prerequisite in every serious arms control negotiation. In circumstances when all parties are negotiating in good faith, meticulous attention to verification provisions will not be a hindrance to the negotiating progress. On the contrary, it should facilitate such negotiations.



From this perspective, the Canadian government was especially gratified at the adoption by consensus at UNGA 40 of a resolution reaffirming resoundingly the importance of verification as an essential element of the arms control negotiating process. This confirms to us the high importance of effective verification in disarmament and arms control agreements — not as a partisan issue but as a matter on which there is international consensus. This consensus may be fragile, yet it is a foundation on which we can build. It is in this context that the Canadian delegation will shortly be making available to all delegations a comprehensive, cross-indexed compendium of verbatim statements on verification which have been made in this conference and its predecessors during the period 1962-1983. These records, the sheer size of which some of you may find intimidating, are in fact instructive in indicating the extent to which there is common ground on which we can expand. I trust that this compendium will prove to be a valuable tool for our collective work. . . may I conclude with the hope that 1986, the international year of peace, will prove to be a year of concrete achievement by this conference, a year which we will one day look back upon as a turning point in the history of arms control and disarmament.





# Statements and Speeches

No. 86/4

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## ON MAKING A SAFER WORLD

Statement by J. Alan Beesley, Canadian Ambassador to the Conference on Disarmament, before that Conference, Geneva, 11 March 1986.

Mr. President, I wish to comment very briefly today on three of our most important agenda items:

- Item 4: chemical weapons;
- Item 5: prevention of an arms race in outer space; and
- Item 1: nuclear test ban.

It will be recalled that I presented the Canadian position on substantive aspects of each of these items in my plenary statement of February 4, 1986. Today I wish to address the kind of concrete action which the Conference on Disarmament (CD) could, and in our view should, take on each of these items, taking into account that on each subject the conference is at a different stage of consideration, deliberation or negotiation.

### Item 4: Chemical Weapons

It is quite clear that the conference is more advanced in its work on the comprehensive convention on chemical weapons than on any other item on its agenda. Thus, it is encouraging, albeit not surprising, that we have been able to re-establish the *ad hoc* committee on chemical weapons on which the conference had agreed at the end of our last session. This should, nevertheless, not be grounds for special satisfaction on our part. When we began this session over a month ago there was a heightened sense of expectation about the prospects for progress in these negotiations. Recent reports of renewed chemical weapons use, which have led the United Nations (UN) Secretary-General to initiate an investigation, should have reinforced our concern to make early and urgent progress.

In my statement of February 4, we gave notice of our intention to submit documents intended to advance the negotiation of a comprehensive chemical weapons treaty. I wish now to inform the conference that the Canadian document entitled *Handbook for the Investigation of Allegations of the Use of Chemical or Biological Weapons* has been submitted today to the secretariat for distribution to delegations. As I pointed out earlier, this working document identifies procedures, equipment and standard formats to help ensure that the findings of an investigation of alleged chemical weapons use would be as conclusive, convincing, objective and impartial as possible. It reflects Canadian experience and expertise, but also recognizes and benefits from important contributions by several other countries involved in extensive research in this area, particularly Sweden, Norway and Finland.

As stated in the introduction to the document, "such a handbook is both useful today in the context of the existing authority of the Secretary-General under resolution 37/98D or under the Charter of the United Nations; and it should also be of use in the future in the context of a verification regime that would be part of a future chemical weapons convention as it is currently being negotiated in the Con-



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ference on Disarmament." The *Handbook*, as some delegations are aware, has already been submitted to the Secretary-General of the United Nations in New York.

It should be noted that this handbook does not deal with the procedures and criteria leading up to the initiation of an investigation. This issue is still very much a subject for negotiation in the Conference on Disarmament. The focus of this study is on what investigators should know and do when called upon to implement a decision to conduct an investigation, including the procedures that might be followed and the equipment that might be needed.

A technical working paper dealing with the identification of chemical substances will also soon be tabled in the appropriate Working Group by the Canadian delegation. That paper proposes a method for identifying chemical substances based on Chemical Abstracts Service registry numbers, which could be of considerable utility in reducing ambiguity in the identification process and in helping to simplify and standardize eventual data flows relating to the implementation of the convention, taking full advantage of computerized methods now available to search chemical literature.

In addition, as mentioned in my earlier statement, we will also be distributing an indexed compendium of all chemical weapons documentation for the period 1983 to 1985 to assist delegations in their work.

In this context I would like to commend the delegation of Pakistan for the serious efforts it has made in addressing in a recent working paper, the first one tabled in the chemical weapons *ad hoc* committee this year, some of the central issues in a future chemical weapons convention. We have noted in particular the statement in the paper that chemical weapons use should be treated as a most serious breach of a future convention. The Canadian government shares this view.

#### **Item 5: Prevention of an Arms Race in Outer Space**

Turning now to a question on which we have not yet advanced our work nearly as far as we have in the chemical weapons negotiations, namely the prevention of an arms race in outer space, we have already made known our views in our February 4 statement that we should reach agreement quickly on the renewal of last year's mandate. I do not propose to reiterate our views on that issue. I wish merely to announce that the Canadian delegation has given to the secretariat, for distribution to all delegations, a compendium of the 1985 CD documentation on this subject. It is our view that an analysis of that documentation will make clear not only that we have already done considerable useful work in the conference in elucidating the complexities raised by that question, but that considerable work remains to be done in analysing the legal regime and identifying any existing lacunae. Delegations need to address the issues embodied in the compendium. If some delegations disagree with some aspects of the Canadian or British working papers on the legal regime tabled during our last session, then let us hear from them, preferably in the form of working papers. This only underlines the importance as we see it of earliest possible agreement on a renewed mandate so that we can devote our full efforts to concrete, substantive work. In the meantime, all of us should be preparing for such work.

#### **Item 1: Nuclear Test Ban**

The third, and perhaps the most important issue I wish to address is that of a comprehensive nuclear

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test ban. The extensive number of statements during recent weeks has shown that most delegations share our view as to the importance of this issue. Yet, it has not been possible to establish a subsidiary body which would allow concrete work to be done, particularly on such issues as scope, verification and compliance. Several substantive papers have been tabled on various aspects of a Comprehensive Test Ban (CTB), but we have not yet even begun to discuss them thoroughly. One of the most important aspects raised in statements and working papers on this question relates to seismic verification. Much common ground exists in this area, developed through the intensive work of the group of scientific experts over the years. I wish now to announce that the Canadian delegation is today making available directly to other delegations a brochure recently published by the Department of External Affairs of Canada on seismic verification. Although produced mainly with the Canadian public in mind, this document is the product of extensive research, is based entirely on scientific advice, and is intended to provide useful clarification of some of the issues relating to seismic verification.

Our purpose in distributing this brochure is a simple one. The achievement of a CTB is a fundamental Canadian objective. Canada has played a particularly prominent role on verification, a central issue in which seismic technology is a key. Since 1976, Canadian scientists have participated in the work of the international group of seismic experts (GSE) in the CD studying technical aspects of a world-wide exchange of seismic data. Indeed the Canadian participants will again be tabling a working paper during the current session of the GSE.

The most recent activity of the GSE was the conduct and evaluation of a large-scale technical test involving 31 states. This work is the object of an extensive report being prepared for the Conference on Disarmament. The test has indicated that a number of technical issues require further consideration by the GSE. Canada strongly supports the continuation of this work. The brochure gives some indication of the value and importance of this work, and the need to continue it.

In this context I should also like to make known to the Conference on Disarmament that the Secretary of State for External Affairs, the Right Honourable Joe Clark, announced on February 7 that the Government of Canada has agreed to provide \$3.2 million during the period 1986-1989 to upgrade the Canadian Yellowknife seismic array as a major Canadian contribution to monitoring an eventual comprehensive nuclear test ban. Yellowknife is recognized as a unique and sensitive location to monitor global seismic events including underground nuclear tests. Updating and modernization of the Yellowknife seismic array, which consists of a series of short-period and long-period seismometers, will enable Canada to contribute to an international system which would constitute an essential monitoring element of a negotiated CTB, utilizing the best technology available. Canada will be using the Yellowknife development to assist the GSE in coming to standards and specifications of seismograph stations that will contribute to seismic verification of a CTB.

We are attempting to show by action rather than rhetoric that we mean what we say on verification — and regard it not as an obstacle, but as part of the solution.

We hope that an analysis of the three papers I have referred to — each of which differs considerably from the others — will provide concrete evidence of some of the possibilities of making progress in the conference, whatever the stage of our deliberations or of our negotiations.

It is our hope that delegations could usefully take the opportunity to review the documents which we and others have submitted. However, we continue to strongly support our collective continuing efforts to reach agreement on the mandates for outer space and a nuclear test ban. . . .



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# STATEMENTS AND SPEECHES



Statement by Ambassador William Bauer, head of the Delegation of Canada, to the closing session of the Experts Meeting on Human Contacts of the Conference on Security and Cooperation in Europe

Canada

BERNE, SWITZERLAND

26 May 1986



STATEMENT BY AMBASSADOR WILLIAM BAUER HEAD OF THE  
DELEGATION OF CANADA TO THE CLOSING SESSION OF THE  
EXPERTS MEETING ON HUMAN CONTACTS OF THE CONFERENCE  
ON SECURITY AND COOPERATION IN EUROPE - 26 MAY 86

Mr. Chairman,

After hours of negotiation, our meeting has failed to reach a consensus on a concluding document.

This is, of course, a disappointment -- especially for those who carried most of the burden of the negotiations and expended so much personal energy in an effort to reach a conclusion. I think particularly of delegates from the Neutral and Non-aligned group of countries who provided draft texts to serve as a basis of negotiations and a skilled coordinator for the negotiations; we are grateful for their sustained and dedicated efforts to bring about a compromise.

It would be a mistake, however, to concentrate too much of our disappointment on our inability to produce a document. Although it was my Delegation's hope, shared by many others, that this meeting might make a genuine contribution to the CSCE provisions on human contacts, we did not envisage that contribution to be just another paper. There are other, more serious, causes for disappointment.

Mr. Chairman, the Canadian Government hoped that this meeting might be seen by some CSCE signatory states as an opportunity to signal some relaxation of their restrictive practices and policies concerning human contacts. As I mentioned in my opening statement, the reference of General Secretary Gorbachov at the 27th congress of the Communist Party of the Soviet Union, to the humanitarian element as a fundamental principle of the Soviet approach to international security and his special mention of the need for a humane and positive spirit in resolving questions of family reunification and other human contacts issues, had given us a particular reason to be encouraged. I know there was also similar hope outside our meeting, on the part of large numbers of Canadians whose lives have been so seriously and adversely affected by the existing policies in this field of the Soviet Union and some other countries.

Although we worked hard to formulate reasonable proposals which, if adopted and implemented, would have provided solutions to these questions, my delegation had no expectation that all the proposals put forward by us



and other members of the Western group of countries would be included in recommendations acceptable to all. There was an expectation, however, that those participating states which have been least attentive to the letter and spirit of their Helsinki and Madrid commitments on human contacts would take the occasion of this meeting to signal at least their intention to show more flexibility in their existing controls and greater readiness to resolve outstanding humanitarian cases.

The initial omens admittedly were not good. My Delegation's efforts to use the occasion of this meeting to discuss specific humanitarian cases, on a bilateral and private basis, bore little fruit. Some delegations we approached refused even to discuss specific cases. Even after that disappointment, however, we still looked for a sign, in our discussions here, and finally in the negotiations, of some change of approach. We tried, day after day, to explain the concerns of Canadians about the problems of human contacts in the USSR and many countries of Eastern Europe, but received little or no response from those responsible. Furthermore, of the significant proposals put forward, most were firmly rejected by certain delegations, or would have been accepted only after major amendments undermining much of their purpose and effectiveness.

The disappointment of my Delegation, Mr. Chairman, is not, therefore, so much in our failure to produce a document; we have, after all, already produced strong documents in the Helsinki Final Act and the Madrid Concluding Document. We do not really lack documents of standards of performance, Mr. Chairman; what we lack is compliance by certain signatory States. Our more profound disappointment stems from the fact that our bilateral talks, our formal discussions in our meetings, and, finally, our negotiations, have failed to reveal any new willingness by some States to make real, substantial headway in facilitating freer movement and contacts and the resolution of humanitarian cases.

Mr. Chairman, even if we have failed to reach agreed conclusions, my delegation takes satisfaction in the conduct and content of this meeting. We have examined frankly and thoroughly the nature of the obstacles to freer movement and contacts. For most of the delegations here there may be a clearer realization of the vital importance of the concept of the right to leave and return to one's country. If certain countries were to respect that right, that international undertaking, in the way that most CSCE signatory States do, then, in one stroke, most of the difficulties we have identified would be

removed. But it has unfortunately been made painfully evident here that the Soviet Union and some other Warsaw Pact countries are not prepared to honour that right in the foreseeable future, or to discuss in serious or constructive terms the human element of the Final Act. Given that unfortunate reality, it is incumbent on these states which persist in maintaining controls on the exit of citizens from their territories, to demonstrate maximum flexibility and humanitarian concern and to lessen, as much as possible, the terrible burden such constraints can place on the human spirit.

The debate has revealed that lately progress had been made by some States in lessening the frustrations and hardships produced by restrictions on peoples freedom to leave and return to their country. Our discussion pointed up, however, that in a few States there is still a rigid outlook, seemingly arising from excessive fear or sense of insecurity, and a continuing disregard by officials of humanitarian problems. The treatment meted out to some people seeking to leave some countries -- a treatment which is at best unsympathetic, at worst actively hostile -- leaves a highly unattractive image before the world which can have a range of negative consequences. The examples of Soviet Jewry and of the Turkish minority in Bulgaria come immediately to most minds.

Our debate has also revealed, with regard to travel for family contacts and family reunification, that we are dealing not just with the problem of families now long divided by the consequences of World War II, but with the direct results, in more recent years, of the systems of exit controls in certain countries. Proposals of the Canadian Government for this meeting concentrated on solutions to these problems. For example, much of the emigration from these countries has been treated by their Governments as illegal, which has meant, as the result of harsh laws, even more severe restrictions on contacts and reunification by the families of emigrants involved. One proposal sought relief of these penalties on members of families who had committed no offence, but this was firmly rejected as "non-negotiable".

The restrictions on family travel experienced in some countries cause bitterness, but the inability to maintain friendships and professional contacts because of travel restrictions, can also be a cause of deep frustration. We have found in regard to religious contacts that individual believers in some countries may have little or no opportunity to meet co-religionists outside their country. A proposal we co-sponsored on this

matter suffered from such harsh amendment that it was transformed beyond recognition. Even the word "believer" is too inflammatory for some countries. Members of national minorities and regional cultures in some countries are prevented from being reunified with their families, or from having free contact with persons in other countries sharing their language, religion or culture, but no meaningful proposal to alleviate this problem could be obtained.

Mr. Chairman, my delegation has spoken frankly and firmly at this meeting on the problems before us. The fact that many of our attempts at reasonable dialogue were rejected does not deter us. We shall return to the subject at the CSCE Follow-up Meeting which begins in Vienna later this year, and hope that by then a more productive approach will be decided upon by the countries who were averse to this here.

We have believed, and continue to believe it necessary to speak of the dismay and even anger of Canadians -- Canadians very well acquainted with the countries in question -- who see needless restrictions, or restrictions applied in a needlessly narrow and harsh bureaucratic fashion. We have been told that certain countries are faced with difficult balance-of-payments problems, are concerned about the possibility of losing people with needed skills to emigration, or have legitimate security interests to protect. But such concerns really do not justify the disproportionately harsh measures applied in some countries against the right of citizens to leave, and return to, their own country when they wish.

Canada has no desire to aggravate the payments problems of trading partners: it has no interest in promoting immigration from Eastern Europe, and it certainly does not seek to disrupt the security of States. What Canadians do wish, however, is to be assured that all their partners within the CSCE come to share in a respect for fundamental human values -- not political and economic philosophies and policies -- but in basic concerns for people. They also ask themselves how a certain minimum level of mutual confidence can ever be achieved in fields like arms control and security when undertakings in the humanitarian field are arrogantly brushed aside as inconsistent with a country's political and social system -- whatever that may mean. They are anxious, not just about the fate of relatives and friends of Canadians, but about all people who wish to be free to live where, and with whom, they choose, or just to



be free to enjoy wider horizons when they feel the need, with the confidence that they can return to their homeland without facing suspicion, persecution or dishonour. These are the normal wishes of most people everywhere. The common realization of these truths is at the heart of the development of East-West human contacts, and, indeed, at the heart of the great European tradition to which most of us here belong. It is also an essential component of our task of building that mutual trust among our countries which must be the foundation for whatever greater structure of cooperation we attempt.

May I express in conclusion, Mr. Chairman, my Delegation's gratitude to our hosts and the Secretary-General and all the members of the Secretariat and my admiration for the patience of all my colleagues -- and of the interpreters -- who have heard us out.

NOTE:

Three other statements on the same issues, by Ambassador William Bauer (April 23 and April 30) and Mr. Stuart Beattie (May 2), are available on request from the Department of External Affairs, 125 Sussex Drive, Ottawa, ONTARIO, K1A 0G2.

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# STATEMENTS AND SPEECHES



STATEMENT BY THE HONOURABLE  
MONIQUE VÉZINA, MINISTER FOR  
EXTERNAL RELATIONS OF CANADA,  
TO THE SPECIAL SESSION OF  
THE UNITED NATIONS GENERAL  
ASSEMBLY ON THE CRITICAL  
ECONOMIC SITUATION IN  
AFRICA

27 MAY 1986

NEW YORK, UNITED STATES

Canada





Mr. Chairman,

My first remarks are addressed to Mr. Perez de Cuellar, the Secretary-General of the United Nations, and to members of the Preparatory Committee, to whom I extend my sincere thanks for having organized this Special Session of the General Assembly.

We all know why we are gathered here today. The economic crisis in Africa concerns us all. In March 1985 we met in Geneva to respond to a call from Africa which had been stricken by a disastrous famine. Today this food crisis, while not entirely behind us, is being resolved. This is encouraging.

As it meets here today, at the request of the OAU, the international community is responding also to the deep concerns of our peoples. Speaking for Canadians, emergency assistance for those who are dying of starvation is not enough. The people of Canada want us to move beyond the crisis to address its causes. This is what they expect of me; and this is what I intend to do in the next few days, months, and years.

I wish to begin by reporting to you how Canadians have responded to the African crisis of the past two years. I shall then address the economic policy proposals which African Governments themselves have put forward to renew economic growth and development in the region. I shall then indicate how we foresee our contribution to the continent's development.

Mr. Chairman, we Canadians have been deeply touched by the African crisis. The people of Canada mobilized in an unprecedented way, in an attempt to come to the assistance of those stricken by that disaster. The response took many forms. First, there was the remarkable job done by the news media, who, with perseverance, compassion and respect, generated public awareness of the problem. There were also tens of thousands of offers of assistance from individuals, groups, institutions, provincial and municipal governments that felt compelled to help; trade unions, cooperatives, local groups, schools and universities spontaneously organized collections of funds and offered their assistance. More than \$60 million was collected from the general public. Our volunteer organizations involved in international cooperation spontaneously formed an Africa Emergency Assistance

committee. So widespread was this grass-roots reaction that our government appointed a special coordinator to harmonize the activities of all the groups and organizations wishing to assist Africa.

Later I shall refer to the lessons that we drew from this experience.

Mr. Chairman, I have briefly outlined the Canadian response to the African crisis. I would be remiss if I failed to mention how the Africans themselves reacted to the situation. The Governments and peoples of Africa were far from inactive. Quite the contrary. The emergency assistance was administered and financed in the first instance by none other than the Africans themselves. The whole of Africa, as soon as the rains resumed, increased its grain production to 55 million tonnes, a 34% growth over 1984. Countries like Ivory Coast, Togo and Zimbabwe shared their food surpluses with fellow Africans in other countries. And need I say anything about the extraordinary example of solidarity that the African countries have always shown the international community in receiving and assisting refugees?

Finally, Mr. Chairman, Canada attaches considerable importance to the fact that African Governments themselves have taken the lead in turning toward lasting solutions. They have provided their own analysis of the fundamental problems. Our own analysis leads us to identify many, if not most of the same principle elements relating to the causes of the crisis.

The OAU has proposed the idea of joint responsibility in which assistance would be tied to tangible evidence of a determined desire to bring about necessary adjustment. Canada welcomes this approach and commits itself to support African countries in their efforts. The level of resources that we shall commit to African development will continue to be substantial, and will be provided with increased flexibility. In that regard, since April 1, following a decision made by the Prime Minister of Canada, our official development assistance program is now implemented entirely through grants.

The OAU recognizes that priority must be given to agricultural development; that policies must be adopted which will create the environment needed for development; that agricultural research must be encouraged. For our

part, we will make these the top priorities in our cooperative activities in Africa.

The OAU has underscored the importance of continuing the struggle against drought and desertification, and to improve public investment policies: these are factors that we too consider essential to recovery.

The OAU emphasizes the role of women in development. As a Canadian Minister, and as a woman, this issue is of critical importance to me. How can African women fully participate in the economic development of their continent if they are cut off from the technology, the training and the access to financial resources that they need?

The OUA also emphasizes the essential role to be played by the private sector. Right now Canada is undertaking a major review of its ODA programs. The philosophy of this review is to look at ways in which we can more effectively engage the dynamism of our commercial enterprises and our voluntary organisations in development initiatives.

By strengthening management institutions, by reforming monetary and financial policies, by introducing demographic policies, and by recognizing characteristics peculiar to each region, the OAU feels that essential elements of a solution can be found. How can we help but share this point of view?

We are heartened to hear the OAU address the need for us jointly to improve the effectiveness of our development cooperation, especially with respect to program support, evaluation of technical assistance, and aid coordination.

African countries seek an international economic environment supportive of growth, the elimination of protectionism, and pursuit of trade and agricultural policies favourable to developing countries. Canada supports these objectives. We will continue to support the strengthening of growth oriented policies through the IMF and the World Bank. We are committed to dealing with trade problems in a new negotiation within GATT. We are ready to explore how we can address cooperatively problems facing commodity producers within UNCTAD (United Nations Conference on Trade and Development), and through World



Bank programs for structural adjustment.

A further elaboration of the OAU proposals involves debt relief, support for reforms in Africa, financial support for priority programs, and follow-up mechanisms at both national and international levels. Canada also sees these as being important components of the overall solution.

But problems are not solved merely by understanding their nature. There must be action, and it must be concerted. Concrete measures must be taken.

I spoke about the grave concern over Africa felt by Canadians. Because of this, my government was confident that it had the full support of our people when it launched the Africa 2000 initiative on May 6.

This is a long-term commitment that Canada believes it must make toward development. \$150 million of the Canadian International Development Agency's current funds have been made available exclusively for this operation over the next five years. Combined with the already impressive amounts earmarked for our aid and cooperation program in Africa, it will bring to more than \$900 million for 1986-1987 alone the money, goods and services transferred from Canada to Africa.

In the Canadian House of Commons I announced that this was only the first phase of our action plan. Today I am pleased to outline two additional measures that Canada plans to take immediately.

I have already spoken of the debt that is hindering the development and growth of the sub-Saharan countries and bringing tragic consequences to their people.

A significant part of this debt arises from outstanding loans originally offered under official development assistance. Debt of this nature owed to Canada totals \$700 million and involves a burden of \$250 million in repayments over the next 15 years for the countries concerned. Today I am announcing that Canada is offering to sub-Saharan countries a moratorium on repayment of these loans for an initial period of five years. We are prepared to extend this measure in five-year segments until the year 2000. In this way, we wish to help in providing all the countries of sub-Saharan Africa that face serious external payments difficulties, and that have demonstrated a

commitment to undertake necessary economic adjustment, the room to manoeuvre that they need to put their economies back on a solid foundation.

On a country-by-country basis, we are prepared to immediately begin discussing the application of this measure within the framework of World Bank Consultative Groups or in other appropriate forums.

This measure is a modest one, but it is practical and concrete. It is meant to reinforce the support that the international community will provide to the countries which are making efforts to adjust. We hope that other countries will adopt similar measures.

The second measure that I wish to announce relates to the lessons that we have drawn from the food crisis in Africa. Over the past two years it has been evident to us that Africa's greatest strength lies in the determination, courage, and experience of its people. It is the Africans themselves who are the masters and the architects of their future.

Our involvement in the emergency operations of the past two years has shown us that the villages, local communities, volunteer agencies and non-governmental organizations can play a strategic part in mobilizing Africa's human energies and involving them in the continent's own development. In Canada's Africa 2000 program, I announced our objective of introducing 2000 small cooperation projects in Africa from now to the end of 1987. Our very first partners in this undertaking will be Canada's voluntary organizations, which explains why their representatives are here as official members of our delegation.

In the same line of thinking, Canada is proposing at this session to create a new mechanism within the multilateral aid system. Its role would be to make available to local communities, village councils and volunteer organizations in Africa, funds and technical expertise to help them to carry out projects of their own choosing to meet their needs in the fields of desertification, conservation of ground cover, and food production. We are convinced that this new approach deserves our best efforts.

We have therefore asked the United Nations Development Program to help us to develop the details of

such a facility for Africa. My government is pleased with the response we have received from Mr. William Draper, the UNDP's new Administrator. He has assured us of his support to set up a working group to elaborate this concept. We are grateful for his support.

Canada is prepared to contribute \$20 million over five years to such a new mechanism once it has been created. We hope that other governments will want to take part, either by contributing financially or by other means. A number of developing countries have remarkable experience in food production and social forestry. I trust they will want to share their expertise and their resources with those in need in Africa.

We see this initiative as an act of faith in Africa's greatest wealth: its population, its small producers, and its men and women farmers.

There is not a crisis that does not hold promise. We will bear witness to this in this Assembly through our innovative and common action. This is my firm belief, and that of all of Canada. This is why as Minister for External Relations and on behalf of my government, I promise to do my utmost, looking ahead to what Africa can be in the year 2000, the Africa in which you and I believe.

Thank you.

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# STATEMENTS AND SPEECHES

Statement by the Under Secretary  
of States for External Affairs,  
Mr. James Taylor, at the opening  
of the Eleventh Session of the  
Stockholm Conference



Canada

STOCKHOLM, SWEDEN  
10 June 1986





We are beginning the eleventh session as we approach the eleventh hour of this conference. Unless real strides are made in elaborating a substantial set of confidence- and security-building measures during the next weeks, a successful outcome here may very well have eluded us -- shattering the hopes and expectations which attended the inauguration of this enterprise two and a half years ago.

The conference has moved from the open arena of public diplomacy to the confines of the negotiating table. It has set aside generalities and rhetoric in the search for specific and concrete forms of agreement. This movement is much to be applauded, and we have welcomed it.

But behind these welcome developments over the past weeks and months there still lingers the risk of political inertia and stagnation. As this negotiation moves into the home stretch, we must focus more precisely the energy of our broader political purpose and direct it with care and determination towards hammering out a full, solid agreement.

And broader political purpose there most certainly is.

We seek a new generation of confidence- and security-building measures that will inject vitality into the Conference on Security and Co-operation in Europe (CSCE) and the arms control process. After investing two and a half years in this enterprise, it would surely constitute a failure -- and a disappointment -- if we produced only a marginal embellishment of the measures in the final act.

We are beginning a process. It will clearly not be possible in this phase of the conference to solve all the problems of confidence-building in all its aspects. The subject is as vast as its concrete manifestations are essential to the underpinning of peace.

But it is crucial that this conference produce a result which is substantial enough to justify the effort to date, and to make it worthwhile to continue. This means that effort must now be concentrated -- and quickly -- on negotiating a set of measures covering the activity of land and combined forces which, no one can seriously doubt, poses the highest risk of war in Europe.

Ever-conscious that the ebb and flow of triumph and tragedy on this continent have shaped our national destiny in the past, and will almost certainly continue to

do so in the future, Canada is vitally concerned about the success of this conference as part of the CSCE. As my minister pointed out at the recent meeting of the North Atlantic Council held in Halifax: "A long time ago, Canadians judged that our common civilization made the security of Europe indistinguishable from that of North America."

Throughout the years, Canada has striven to ensure this security by a solid commitment to collective defence and by a strong engagement to reduce levels of tension and confrontation. One of our priority objectives in the field of arms control and disarmament is to build confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

This confidence-building enterprise in which we are engaged is a unique negotiation. It is also a many faceted challenge. It has a political/military dimension; but it also has a humanitarian one. If this conference succeeds it could genuinely enhance the security and co-operation we seek through the CSCE. If it fails, it could impede the attainment of this objective. We should ensure that the Vienna follow-up meeting, in a wider context, is able to assess a set of confidence- and security-building measures that will constitute a real milestone towards the achievement of greater security, and is able to judge what further efforts will be necessary to continue this work.

From the first week at Stockholm the countries of the North Atlantic Alliance have called for concrete measures that would clarify the non-hostile intentions of the participating states. The treaty establishing the Western Alliance binds its members not to use force except in self-defence, a commitment we have reaffirmed on countless occasions.

Recently, General Secretary Gorbachev affirmed the defensive orientation of Soviet military doctrine as well.

The military policies of the neutral and non-aligned states participating in the CSCE are of a purely defensive character. The problem is therefore not a lack of expression of peaceful intentions, but rather how to demonstrate credibly to each other that security concerns for legitimate defence are the sole guidelines

for national military activity. This demonstration of the absence of feared threats can be made through greater openness in all of our activities, not least in the military sphere.

The foreign ministers of the North Atlantic Alliance recently affirmed in Halifax their objective to strengthen stability and security in the whole of Europe through increased openness and the establishment of a verifiable, comprehensive and stable balance of conventional forces at lower levels. Recognizing the need for bold new steps, they set up a task force on how further to pursue their objectives for conventional arms control in Europe.

The results of this stage of the Stockholm conference will be fundamental in determining whether a new openness can be imparted to the conduct of military activity on the territory of Europe. The adoption, as this conference adjourns, of a substantial set of confidence- and security-building measures and their satisfactory implementation cannot fail to nourish in Europe a climate of confidence that ought to be strong enough to pave the way for more extensive measures of military restraint and reduction.

In this regard, we have noted Mr. Gorbachev's recent expression of Soviet willingness to seek conventional arms reductions from the Atlantic to the Urals. But public statements are not enough. We now await an equally constructive response from the Soviet Union and other members of the Warsaw Pact to the detailed proposals that we have tabled aimed at enhancing stability and security.

The Soviet Union has recently stated that it is no less interested in effective verification than are the Western states and it has recognized the potential usefulness of on-site inspection as a means of verification. We await here a confirmation of this interest through positive and specific suggestions for co-operative and reciprocal verification measures accessible to all the participating states.

Verification measures have both political and military value as a means of ensuring compliance. Since military potentials on each side in Europe are very high, any major lack of compliance would require a considerable



military effort which could not go undetected. While minor non-compliance might not jeopardize the other side's military situation, any would-be violator would hesitate, weighing carefully the political consequences of any such action.

A co-operative and reciprocal inspection regime would help to clarify a situation before it could lead to a serious misunderstanding, or miscalculation, or worse. And, recognizing that the real world in which this system will operate is full of ambiguities and uncertainties, here as elsewhere flexibility will be required.

But the essential principle remains: an agreement lacking effective verification is not better than no agreement at all. An agreement that is permissive towards violations, or could give rise to allegations of non-compliance because it lacked effective verification provisions, could be a greater danger than no agreement at all. It could lead to tensions arising from dubious compliance when national security is seen to be at risk.

Efforts to control or reduce armaments in Europe must sooner or later involve the full range of political interests of all the participating states. Verification is essentially a co-operative and reciprocal process. Thus, all states assuming obligations under any agreement adopted here should be assured that they can effectively verify compliance with it.

This conference could take a major step forward in the verification process. Here is a forum where a common political commitment combined with technological expertise and multilateral diplomacy could produce a verification arrangement that will ensure that the agreed measures really do build confidence and security.

Verification is not an end in itself. But it will be of vital importance as a component of the final result here, because it enhances the confidence of the parties and creates a sense of predictability. And that comes close to the heart of our purpose. Detailed drafting on this issue is long overdue. Visible progress could offer new encouragement that an agreement is possible here: not just a minimal agreement, but a break-through agreement as befits the pioneering nature of this work. Because without provisions for effective verification there will be no agreement. Progress could

show that we are motivated by broader political purpose: because the problems of verification can only be solved through acts of political will and -- dare I say it to a conference dedicated to confidence-building -- by acts of political faith.



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# STATEMENTS AND SPEECHES

COMMONWEALTH GROUP OF EMINENT  
PERSONS ON SOUTH AFRICA



Notes for a statement by  
the Right Honourable  
Joe Clark, Secretary of  
State for External Affairs,  
in the House of Commons

OTTAWA

June 12, 1986.

Canada





Eight months ago, in Nassau, Canada and forty eight other members of the Commonwealth established a Group of seven Eminent Persons to seek ways of "dismantling apartheid and erecting the structure of democracy in South Africa". That was done in the belief that the multiracial Commonwealth, of which South Africa was once a member, had a better chance than any other institution to encourage change without violence. Twenty three days ago, while the Eminent Persons Group was still in Capetown, the Government of South Africa launched bombs and raids on Zambia, Zimbabwe and Botswana. This morning, in London, the Group issued its report - a unanimous report.

It concludes that, at present, there is no genuine intention on the part of the South African Government to dismantle apartheid.

It reports that political freedom, far from being established, is being more rigorously curtailed, and the cycle of violence, and counter-violence, grows.

It finds that the concrete progress looked for in the Nassau Accord has not materialized.

The Prime Minister of Canada and six other Commonwealth leaders will meet in London August 3rd to 5th to consider what further action the Commonwealth can take together to increase pressure against apartheid. Already one thing is clear.

By its actions, its words, its raids against its neighbours, the South African Government has closed one more door on dialogue. The temptation is to conclude that they will never respond to our entreaties, never change by choice. That is not the view of the Eminent Persons - not yet. But it is their view that steady pressure is essential to any prospect of peaceful change. I quote their report:

"We point to the fact that the government of South Africa had itself used economic measures against its neighbours and that such measures are patently instruments of its own national policy. We are convinced that the South African Government is concerned about the adoption of effective economic measures against it. If it comes to the conclusion that it would always remain protected from such measures, the process of change in South Africa is unlikely to increase in momentum, and the descent into violence would be accelerated. In these circumstances, the cost in lives may have to be counted in millions."

Canada has already taken several economic and other measures against apartheid. After the August meeting, we are prepared to take more, in concert with the Commonwealth if possible, on our own if necessary. We believe the Commonwealth will move forward united against apartheid. To encourage that result, to maintain that pressure, I am announcing today four more Canadian measures against apartheid.

Two were listed in the Commonwealth Accord.

We are ending Canadian Government procurement of South African products. I have today written the Provinces urging them to consider parallel action in their own jurisdiction.

We will ban the promotion in Canada of tourism in South Africa.

We are allocating an additional two million dollars to our program for the education and training of Blacks in South Africa.

Finally, I have directed my officials to inform the South African Government that Canada will no longer accept the non-resident accreditation of the four South African attachés to Canada for Science, Mining, Labour and Agriculture. They will no longer be authorized to carry on their official functions in Canada.

Those are measured steps - economic, diplomatic, humanitarian - to maintain steady pressure against apartheid. In addition, the Canadian Embassy in South Africa will be closed on Monday, June 16th, to commemorate the Tenth Anniversary of the tragedy of Soweto. Members of the Embassy will be attending the services that will be taking place that day, to mark the aspirations of the majority of South Africans for a society based on freedom and equality, and to share their hope for peace.

The Prime Minister has asked Mr. Bernard Wood, Director of the North - South Institute, to visit a number of Commonwealth partners in preparation for the August meeting. Mr. Wood will consult with President Kenneth Kaunda, the Chairman of the Front Line States, and other Commonwealth leaders.

The Prime Minister spoke last night with Prime Minister Hawke of Australia, and will be in touch with Prime Minister Gandhi of India, to maintain the partnership that proved effective in Nassau. He will be meeting Prime Minister Thatcher during her visit to Canada in July.

We are also, of course, consulting countries outside the Commonwealth. Canada's representative on the Commonwealth Committee on South Africa, our High Commissioner to London, Roy McMurtry, will represent Canada at the United Nations World Conference on Sanctions in Paris next week.

Mr. Speaker, what we are doing is designed to maintain the effectiveness of a Commonwealth we value, and to keep Canada in the forefront of those who oppose apartheid. These measures do not rule out further steps in the near future. On the contrary, they portend more severe measures, if the South African Government continues to refuse to enter a dialogue except on its own narrow terms.

In closing, on behalf of all Canadians, I want to pay tribute to the dedication, wisdom and generosity of Archbishop Ted Scott. He has performed a great service. So have his colleagues in the Eminent Persons Group. We are grateful to him - and to all of them. Canada will act in the generous and determined spirit which inspired their work.





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# STATEMENTS AND SPEECHES



Message from the Right Honourable  
Joe Clark, Secretary of State for  
External Affairs, to the Conference on  
Disarmament on the occasion of  
Canada's assuming the presidency of  
the Conference

GENEVA, SWITZERLAND

August 5, 1986

Canada



"Canada feels particularly honoured to be entrusted with the presidency of the Conference on Disarmament during its important closing, report-writing and inter-sessional period. We shall endeavour to fulfill our responsibilities in a manner which fully reflects the high value Canada attaches to the work of the Conference on Disarmament.

In an era when the awesome realities of existing and emerging weapons technologies are a cause for concern to the peoples of all countries and continents, the talks of devising effective agreed arms control and disarmament measures cannot simply be left to those who possess the largest arsenals. The Conference on Disarmament, which is the sole multilateral disarmament negotiating forum, therefore performs an indispensable political and institutional role.

The fact that Canada's presidency occurs during the concluding month of this year's session gives me an opportunity to put forward some reflections on the current international situation in relation to arms control and disarmament, and on the recent work of the Conference on Disarmament in that context.

The attention of the world, understandably, is focussed on the negotiations of the USA and the USSR being conducted, literally, just down the road from the Conference on Disarmament. This attention often takes the form of an impatient clamour for quick results. Such expressions of impatience are politically and humanly understandable. However, we would do well to keep in mind the magnitude and complexity of the agreed objectives which the negotiating parties have set for themselves: no less than "the prevention of an arms race in space and its termination on earth; the limitation and reduction of nuclear arms; and the strengthening of strategic stability, leading ultimately to the complete elimination of nuclear weapons".

It must also be borne in mind that the issues under negotiation involve vital security interests not only of the negotiating parties themselves but of all the members of the Conference on Disarmament and indeed all the peoples of the world. Viewed in this light, while many may have hoped for more rapid progress, there are no grounds for discouragement at this time, there are in fact hopeful signs. Available evidence strongly suggests that both parties are approaching their task with a seriousness and commitment that bodes well for eventual substantive results. It is particularly encouraging when concrete, substantive proposals are put



forward at the negotiating tables, as has recently been the case, rather than first being announced in public. I am sure that all members of the Conference on Disarmament would agree on the importance of conducting ourselves in ways which are supportive of continuing, serious pursuit of those all-important negotiations, while not abdicating our individual and collective responsibility to advance our own work with a sense of real urgency.

The arms control negotiations and discussions of the Conference on Disarmament may understandably attract fewer headlines than the bilaterals, but this should not be taken as an indication of their unimportance. It has been your task to address some of the most politically sensitive and technically difficult issues which governments confront in this area. Just as important, in its role as a sounding board as well as a negotiating forum, the Conference on Disarmament helps in registering emerging issues of concern among political leaders and in defining areas for new negotiated measures. Your work can thus also contribute invaluable to establishing the tone and texture of the broader arms control and disarmament process. Your current session has been characterized by a most welcome lessening of polemics; there appears to be an increasing trend toward thoughtful, substantive statements, coupled with the submission of practical working papers. I applaud this new spirit, and this new approach.

As for the Conference on Disarmament's priorities, the elimination of all weapons of mass destruction is a central task of the arms control and disarmament process. Your efforts to negotiate a comprehensive ban on chemical weapons therefore is rightly a priority item on your work agenda. Official confirmation by the United Nations Secretary General of repeated chemical weapons use in the Gulf war, which Canada resolutely condemns, as well as reports of efforts by other countries to acquire a chemical weapons capability, must add to our collective sense of urgency to achieve progress on this item. Canada does not favour diverting efforts from the negotiation of a comprehensive ban in order to address the proliferation problem separately. Nevertheless, out of concern for the problem, Canada recently increased to 14 the number of chemicals subject to export controls and, in consultation with several other countries, we are implementing a warning list procedure for a longer list of chemicals.

In the effort to negotiate a comprehensive ban on chemical weapons, there were several welcome developments during the current session of the Conference on Disarmament. The USA Delegation made an important clarification of its thinking on how a treaty might apply to differing social systems. The USSR Delegation made new and positive substantive proposals relating to certain aspects of verification of a treaty, which my Government hopes will soon be supplemented by further proposals dealing with other aspects of verification. The Canadian Government hopes also that the important recent UK initiative will facilitate a convergency of views on the sensitive and vital issue of challenge inspection. Under energetic and notably competent chairmanship, the Ad Hoc Committee has made further progress toward resolving some of the more difficult technical issues. The Canadian Delegation submitted two working papers as a contribution to the collective effort. The holding by the Netherlands of a workshop relating to verification of non-production, as well as the broad attendance at that workshop, was gratifying and encouraging. It is important that the momentum thus generated be maintained, including through inter-sessional work to the extent practicable.

The issue of a ban on nuclear tests has properly continued to occupy a prominent place in the CD agenda. The negotiation of a comprehensive nuclear test ban remains a fundamental objective of the Canadian Government. We were therefore disappointed at the failure to agree on a mandate for a subsidiary body on this item, which would have permitted practical work in preparing the ground for the negotiation of such a ban. This session, nevertheless, was not without positive developments. We have noted carefully, and welcome, the recent Soviet statement indicating a forthcoming approach on technical and institutional matters relating to the establishment and operation of a global seismic monitoring network. We are also pleased that the USSR and the USA are holding expert level discussions on nuclear test issues. Australia's call for a decision to establish an international seismic network is wholly consistent with Canada's longstanding concern to develop means for reliably verifying a test ban. The Conference on Disarmament is aware that we are upgrading a seismic array in our own northern territory and have commissioned other related research, and that we will be conducting a technical workshop in Ottawa this autumn, at which we hope CD members will be widely represented. In the Canadian view, a gradual incremental step-by-step approach will be required if a comprehensive test ban is to become a reality. We intend to pursue vigorously our efforts to this end in the Conference on Disarmament and in other forums.

The prevention of an arms race in outer space is a high priority for Canada, and this CD agenda item warrants special efforts and attention. As was the case last year, Canada submitted a substantive working paper designed to facilitate consideration of existing relevant international law and the possible need for it to be supplemented by additional negotiated measures. We have also commissioned extensive research into the potential for using existing technology for purposes of space-based verification. We intend in the future to make the results of this research more widely available.

It was a matter of disappointment that a mandate for a subsidiary body on the outer space item was agreed only half way through the 1986 session. As a result, for a second consecutive year, only half of the session's time could be devoted to substantive deliberations. Once the mandate was agreed, the ensuing discussion was on the whole characterized by an impressive sobriety and thoughtfulness. In the Canadian view, the existing mandate is demonstrating its usefulness.

The Conference on Disarmament is also engaged in negotiation aimed at banning radiological weapons, which fortunately are not yet known to exist. My Government recognizes that following the tragic accident at Chernobyl, there are heightened concerns about the potential consequences of attacks on peaceful nuclear facilities. My Government hopes that there can be early agreement on how this issue can most effectively be addressed, so as to avoid prolonged further delay in concluding a radiological weapons ban.

Unfortunately, concrete achievements at the Conference on Disarmament in recent years have been scarce. This may be an indicator not so much of failure as of limits. Delegations at the Conference can achieve no more than what their respective instructions, reflective of perceived national interest and political will, allow. Nevertheless, Canada would join with others in urging a searching re-examination of the methods and procedures whereby the Conference on Disarmament conducts its operations. It would be regrettable, possibly tragic, if opportunities for progress were missed due to institutional inefficiencies or failings.

In conclusion, I am confident Ambassador Beesley can count on the support and cooperation of all Delegations in bringing this year's Conference on Disarmament session efficaciously to its conclusion".

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# STATEMENTS AND SPEECHES



Speech by the Right Honourable  
Joe Clark, Secretary of State for  
External Affairs, to the Canadian  
Cattlemen's Association

WHISTLER, BRITISH COLUMBIA  
August 8, 1986

Canada





I started this week in London in meetings not very far from the buildings where, ... years ago, a group was formed calling itself the Company of Adventurers Trading into Hudson's Bay. They became one of the two organizations whose competition opened up this country -- started the movement west. And what were those Europeans competing about? -- the right to sell Canadian fur in European markets. And what has become one of the most fierce campaigns of recent years -- the campaign to stop the sale of Canadian fur in European markets. Similar ironies are everywhere.

Canadian immigration policy deliberately drew settlers from Europe to make the most of one of the world's natural bread baskets, the Canadian prairies. Our ranching industry grew because of the natural advantages of the foothills, and the Cypress Hills, and other regions ideal for cattle production. For the first half of our life as a nation, we prepared to make the most of the natural agricultural advantages of Canada. Now we are locked in vital combat with nations -- often friendly nations -- who grew strongly respecting natural advantage, but now replace the marketplace with a maze of controls and subsidies.

The dilemma for a country of only 25 million residents is that, even if our principles were flexible enough to declare natural advantage irrelevant, we can't afford to do that. We might have better farmers than Europe and the United States, but they have bigger treasuries. At the Economic Summit in Tokyo, the Prime Minister read the figures to the leaders of Japan, Britain, Germany, United States, and other proponents of the market economy. On average, a grain producer in Europe receives 94 U.S. dollars government support per tonne; in the United States 75; and in Canada 34. Those figures can't take account of all the cost of the new U.S. Bill, because those costs are literally incalculable.

It is clear that Canada can't match the U.S. and European subsidies. What is also clear is that our best friends -- when we argue our vital interest against their vital interest -- prefer themselves to us, even when that involves truck and trade with regimes they customarily condemn.

I must also mention Japan, because that country, like Europe and the U.S., has shifted some of its share of agricultural problems offshore. What is different about the Japanese is that they use import controls to impede trade and contribute to the problems we all face.

We have some allies. As we mass our forces against the United States, the European Community and Japan we have Australia on our side, and New Zealand, and Thailand, -- and Zaire which, like other less developed countries, would like to pull itself forward by its natural advantages in agriculture. So we have a strong logical case, some wonderful friends, and, in any trade war, about the same prospect of victory that we in this room might have fielding a pickup team against the Chicago Bears.

Indeed, if one wants to list the ironies in this situation, consider that nations which have been urging starving Africa to build its agricultural base are now creating artificial food surpluses which, at the very least, discourage African agricultural reform. An American Congress which sought to punish Canada for buying sugar from Cuba is now enthusiastically selling cut-rate grain to the Soviet Union. A European community which was established to encourage international cooperation and efficiency does not allow our multilateral institutions, like the GATT, to function and has created a whole new landscape of butter mountains and wine lakes.

But beyond all those ironies is the inescapable fact that everybody is being hurt - producers of food, consumers who must pay higher prices, government treasuries which must fight impossible deficits, and the framework of international order which has been the basis of international economic stability, since the last binge of protectionism, which gave us the Depression.

No one can win a trade war -- indeed Canada can't really afford to fight one. To quote a famous American, "Trade wars, like nuclear wars, shouldn't be fought and will never be won." Obviously, the Government of Canada must continue to provide financial help to our most basic industry, when it is facing its worst siege since the depression. We have committed \$5.2 billion since September 1984 to agriculture initiatives and are looking seriously now at recent proposals concerning an increase in domestic wheat prices, deficiency or stabilization payments for 1986/87 crop year, mechanisms to ensure the two price wheat policy continues to reflect historical regional market shares, mechanisms to ensure the competitive position of Canadian wheat-based product manufacturers. But there are real limits to what we can do on that side. The U.S. and the Community could outspend us easily, even if we didn't carry the burden of the Canadian deficit. If the foundation of world food policy is going to be subsidy, Canada will have real trouble; if the foundation is going to be efficiency, agriculture can become again a mainstay of the Canadian economy.

So the issue becomes: how do we move the world away from subsidy, back toward efficiency. Another essential question is what do we do in the interim, and the government is trying to deal with that in our domain, as the Canadian Cattleman's Association is in your case against Danish and Irish Beef. But the most effective interim measures are those directed toward an ultimate objective -- and our objective has to be to move trade in agriculture back along the spectrum, away from subsidy, toward natural efficiency.

Let me put that challenge in perspective.

Public policy is not always orderly or consistent. That is why it sometimes frustrates utterly logical people, like cattlemen or commentators.

I won't try today to analyse why conventional wisdom about appropriate policy changes. But as we decide how we deal with this crisis in agriculture trade, it is useful to note the changes that are occurring in world opinion and practice.

There is a change in attitudes about the role of governments. Generally, in the late 1980's, governments are getting out of economic enterprises, which generally, in the 1970's, governments were encouraged to get into. There are major privatization programmes underway in Canada, the United States, the United Kingdom, and France, to name a few. That is significant as an indication that public attitudes change across national boundaries. That new attitude relates directly to the subsidy practices that began, on this scale, with the Community's Common Agriculture Policy.

It is also significant in that the direction of the change is away from government control. There is a reduced expectation of what government is supposed to do, and that reduced expectation is a significant political factor within both the European Community and the United States -- the two principal contributors to the trade subsidy war we are worried about.

A related reality is deficit control. Michael Wilson may be more effective than other Ministers of Finance in getting his deficit down, but he is not alone in his preoccupation. Indeed for Michael and for me, the first hopeful sign that we might be able to break this cycle of international subsidy was at the OECD spring meeting this year, when individual ministers from Common Market countries complained about the cost, to their consumers and their economies of the Common Agriculture Policy.



We reported that to the Prime Minister, and he decided to mount a sustained campaign for a change in the world's attitude toward subsidies that became the basis of our approach to the Summit of Industrialized Countries in Tokyo in May.

Just before that Summit, Mr. Mulroney convened a meeting of major representatives of Canadian agriculture, here in Vancouver. Then we raised the question of agricultural trade at the Summit, and argued to other leaders the inconsistency of summit countries preaching freer trade on one hand, and practicing protectionism in agriculture. To our surprise, the debate on agriculture took hold in the Summit. Every member nation recognizes that the spiral of subsidy must be stopped and that we will have to act together to stop it.

That was the first time in the history of Economic Summits that agriculture was discussed in detail. We are continuing the initiative the Prime Minister took at Tokyo.

On the one hand, we are protesting, as strongly as we can, each new assault on our markets or interests. The Prime Minister has twice in the last ten days spoken to President Reagan about the U.S. recent grain actions, and my first call, on arriving back in Canada Wednesday, was to George Shultz. I raised the question with the Community in June. John Wise has travelled to Brussels and to Washington to urge his colleagues to cool their conflict.

On the other hand, we are playing a leading role in trying to go beyond the present sharp disputes and mobilize international action to cut back subsidy.

It's slow going.

Charlie Mayer called a meeting here, in June, of Ministers from the World's five major grain exporters, to search for an agreed way to cut back subsidy. Mr. Mayer is going to the Cairns meeting in Australia, later this month, to help build a common strategy against subsidies.

But even as those meetings occur, new protectionist measures are introduced in the United States, and the same members of the European Community have acted to prevent an agreement that would have given GATT a chance to tackle the surplus and subsidy problem. I won't take you through all the detail, but our negotiators at Geneva, working closely with others had come to the very edge of agreement on an agenda that would let us confront these basic agricultural problems at the Ministerial Meeting on GATT in September in Punta del Este, Uruguay. At the last minute France and Ireland, and Spain and Greece backed out of the agreement on the agenda.

The Punta del Este meeting remains the best chance to make progress against this crippling cycle of subsidy and surplus. But this agricultural issue is so complex and intense that it may prevent agreement on starting a new round of multilateral trade negotiations. That would be tragic for everyone. It would be an invitation, and a justification, for all nations to step back from international cooperation, and indulge the worst excesses of protectionism. The international movement toward freer trade would be reversed, and nations like Canada, which rely on trade would see our problems multiply. So failure to act on agriculture could trigger a far wider failure in international trade and economics.

The world faces three options.

The ostrich approach is to bury our head in the sand and hope the problem goes away. That would be an abdication of responsibility, and an invitation to more subsidies or surpluses from groups with massive treasuries.

The second is to let the trade war continue until the U.S. and the Community realize that neither can win. By that time, most countries with smaller treasuries, or their producers, would be bankrupt. And the protectionism which arose in agriculture would result in retaliation in other fields, gradually tearing down the system which has given the world prosperity for half a century.

The Third option is to face the music - to tackle head on the subsidy and surplus problem.

That is the only option that makes sense to Canada.

I will be leading the Canadian delegation to Punta del Este. We are making it clear that agriculture is the top item on the Canadian agenda for the new round of Multilateral Trade Negotiations. We are mobilizing all our diplomatic and negotiating resources to try to get an agreement that will make progress in GATT against agricultural subsidy and surplus. Our plan and our challenge is to ensure that world public opinion recognizes what is at stake in these discussions.

However, the world cannot afford to wait for the results of GATT negotiations. The farming community cannot be allowed to be ravaged by the current crisis while the search for long-term solutions is conducted. We need action soon to begin to move toward a more reasonable environment.

One of the ways to achieve progress could be to ask a group of prominent individuals "to provide an urgent, independent, and objective analysis of agricultural subsidies and obstacles to market access, and to report to us on their findings and on the remedies we might consider". I indicated six weeks ago in Edmonton that we were considering establishing such a group. Since then, we have developed our thinking. We would envisage such a group providing their views on the main issues in trade affecting all agricultural commodities, particularly those currently experiencing severe difficulties such as cereals and red meats.

The group could be asked to consider those government policies and programs that impact significantly on production and trade in farm products, particularly those affecting commodity trade in the short to medium term (two to three years). It could be asked to propose specific and practical actions to be undertaken together by governments within their current legislative and program frameworks. Such actions would have to yield short-term results. The group would be intended to complement the longer-term action of the GATT. It is clear that it could not substitute itself for the negotiations. What we have in mind is that the proposals from the group could go some way toward reducing the current intolerable stresses in international trade and reinforcing the confidence of producers in their own futures.

The Canadian government firmly believes that urgent international action is required to move toward a better international trading environment. The international rules must be clear and understood by all. Producers must be assured that their opportunities for growth will depend on their own efforts and initiatives and not on the policies of their national governments. We are confident that, in such an environment, Canadian producers will thrive as they have over the past century. What we are seeking is a better, more rational world where all of us will be able to prosper.

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# STATEMENTS AND SPEECHES



Statement by Mr. Arsène Després,  
Head of the Canadian Delegation  
to the Second Review Conference  
of the Convention on the Prohibition  
of the Development, Production  
and Stockpiling of Bacteriological  
(Biological) and Toxin Weapons  
and on their Destruction

GENEVA, SWITZERLAND

September 9, 1986

Canada





Mr. President,

The Canadian Delegation welcomes the opportunity to participate in this Second Review Conference of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction. As has frequently been observed, this Convention has a quality of uniqueness in being the first multilateral agreement concluded with the purpose of effectively eliminating permanently from the earth an entire category of weapons. The strict adherence of all parties to all the terms and obligations of the Convention is thus a matter of similar importance. So, too, is the need for universality of adherence to the Convention and the norms which it embodies.

We should also not lose sight of the fact that when the Convention was concluded, as reflected in its preamble and in Article IX, it was seen as an important step toward the effective prohibition of chemical weapons. The negotiations to that end in the recently completed session of the Conference on Disarmament give cause for cautious hope that the prospects for the attainment of this objective have improved. It would be appropriate for the Conference to urge that the serious pursuit of those negotiations be intensified. Just

as important, we must take care to conduct ourselves in this Conference in ways that are supportive of and in no way undermine or prejudice that negotiating effort.

As seen by the Canadian delegation, our task here will be twofold: to examine dispassionately the operation of the Convention since its entering into force; and to consider ways in which the effectiveness of its application might be strengthened so as to increase the level of assurance that all parties are adhering rigorously to their obligations.

Mr. President, it is a truism that all areas of arms control and disarmament involve a kind of race between the ceaseless advances of science and technology and the ability of policymakers and lawmakers to ensure that such advances are used to strengthen rather than to undermine international peace and security. In the field of biotechnology, this tension between scientific and technical advance -- which can be of inestimable value for enhancing the health, comfort and security of peoples everywhere -- and the potential for misuse for non-peaceful purposes, is especially acute. Since the time when the Convention entered into force, even since the First Review Conference, there have been major advances in numerous aspects of biotechnology. The material put before us by the Depository Governments makes this

clear. Much of this technological progress, even when it results from perfectly legitimate, peaceful research programmes could, with distressingly little effort, be redirected toward illegitimate purposes of the kind prohibited by the Convention that we are reviewing. Indeed, such is the state of biotechnology that there is room for legitimate doubt that the Convention to which we are all parties can ever be verifiable to the standards of adequacy which many of us would normally require to be incorporated into any significant arms control and disarmament agreement.

There is another regrettable fact that must be taken into account during the course of our deliberations here. In contrast to the situation that prevailed at the time when the First Review Conference convened, there have in the intervening period been several allegations of serious breaches of the Convention. This is cause for major concern. Canada accepts that these allegations have not been made frivolously nor in the absence of disturbing evidence. The seriousness of the Canadian Government's concerns about these allegations is attested by our having conducted several investigations relating to allegations of toxin weapons use in Southeast Asia. These investigations have formed the basis of three separate submissions to the United Nations Secretary General. These investigations do not, in themselves, definitively confirm the use of toxin weapons in that



region. However, neither do they refute the validity of the allegations nor in any way allay our sense of concern. On the basis of Canadian investigations, anomalous epidemiological phenomena in Southeast Asia in the early 1980's remain inadequately explained. The most salient point which Canada's investigative effort in that region underlines is the absolute necessity of full, prompt, unqualified co-operation on the part of all directly concerned parties if uncertainties about compliance are to be satisfactorily received. In the case of our own investigative activities, as in the case of a team of experts sent to the area by the UN Secretary General in 1981, such co-operation was not forthcoming. We note that uncertainties relating to other alleged breaches of the Convention have similarly not been resolved. This is an unsatisfactory and unacceptable situation.

In the face of this situation, involving widespread doubts about the possibility of ever being able to devise adequate and practicable verification provisions, as well as persisting unresolved uncertainties relating to allegations of non-compliance, it would be all too easy to lapse into a despairing, do-nothing attitude. However, such a defeatist approach would only undermine the established norm against biological weapons. This Convention, which remains a legally binding instrument for all States Parties, is the strongest embodiment of that norm. The Canadian Government considers

that it should be the task of this Conference to seek to strengthen the application of the Convention in realistic and operationally practicable ways. We hope this Conference will be able to reach agreement on a selection of measures to this end, which could be set out in politically binding form in the Final Document of this Conference, to be adopted by consensus. In particular, Canada would urge the desirability of building on the achievement of the First Review Conference by reiterating the right under Article V of any State Party to request the convening of a consultative meeting open to all States Parties at the expert level, and by stating the corresponding obligation of all directly concerned States Parties to respond positively to such a request through participation in the consultative meeting and by extending full co-operation in resolving any compliance-related questions. The Canadian Delegation is also ready to give constructive and positive consideration to other proposed measures which could strengthen confidence that the norm against biological weapons is being respected and raise the level of assurance that the legal obligations embodied in the Convention are in reality being adhered to by all States Parties.

In conclusion, Mr. President, the Canadian Delegation reaffirms before this body that Canada has never possessed biological weapons and continues in every respect to be in full compliance with

all its obligations under the Convention. In the hope that it might encourage greater "forthcomingness" on the part of all States Parties with regard to the freer exchange of information concerning biotechnology research and development in our respective countries, the Canadian Delegation is filing with the Conference Secretariat, with the request that it become an official Conference document, a paper setting out the general nature and magnitude of biotechnology activities in Canada and the extent of governmental involvement therein.

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# STATEMENTS AND SPEECHES



Notes for an address by the  
Right Honourable Brian Mulroney,  
Prime Minister, before the  
Inter-American Press Association

Canada

VANCOUVER, BRITISH COLUMBIA  
September 15, 1986





As the first Canadian Prime Minister to address an IAPA Convention, I want first to acknowledge the Association's historic role in the promotion and the defence of a free press throughout the hemisphere.

From the time of your foundation, more than 35 years ago, you have stood resolutely and courageously for this fundamental democratic tenet.

Some of your reporters have paid and continue to pay for their convictions with their lives. I pay tribute to your colleague Jose Carrasco Tapia who was brutally murdered in Santiago on the night of September 7.

You are, in a very real sense, the sentinels of freedom. As your own charter States, in a timeless declaration: "without freedom of the press, there is no democracy."

Throughout the hemisphere, you have outwitted and outlasted anti-democratic regimes on the right and on the left. It is in no small measure due to your courage and commitment that in the Americas, democracy is again ascendant.

Tancredo Neves observed after his election as President of Brazil: "There is nothing more noble than a nation that has the strength to reconstruct its own freedom."

Democracy and development -- that's what I want to discuss with you today from a Canadian perspective.

We have pursued a coherent and consistent policy of constructive internationalism.

We want to play a positive, realistic role in the affairs of an increasingly interdependent world.

With our neighbors and friends, the United States and Mexico, we share the riches and the resources of a continent.

- -  
With the countries of Central and South America and the Caribbean, we comprise the Americas, nearly one-fourth of the membership of the United Nations.

We place great importance in our membership in the Commonwealth, that remarkable family of nations; and in la Francophonie, that new family of nations.

These organizations represent more than our heritage from our mother countries of Britain and France. They also represent our national duality.

We have an immense partnership with the United States, enriched by shared values and common endeavours.

We have worked hard in the United Nations and other international organizations. We've earned our credentials around the world by what we stand for in the world.

We play an active role in the efforts of international financial organizations, the international monetary fund, the World Bank, the Inter-American Development Bank, and the Caribbean Development Bank to foster economic development and to create an atmosphere of understanding on the external debt issue that is so crucial in our hemisphere.

We are a member of the Atlantic community.

And you need look only as far as Vancouver harbour to remind yourselves that we are a Pacific Rim nation. Some of you also come from Pacific countries.

All of us come from the Americas, all of us have a vital and vested interest in the advancement of hemispheric relations.

We are the inheritors of the new world. From Amerigo Vespucci, the Americas have taken a name. From it, a world takes hope. For the very word is synonymous with liberty and opportunity.

This country has by the nature of our people always stood for tolerance, pluralism, and negotiated solutions. With us, honourable compromise is more than political brokerage, it is an indicator of strength, a way of life. Democracy is also a way of life with us.

From our perspective, democracy and development go hand in hand and we are greatly heartened by its resurgence in our hemisphere. There is a new aura of optimism in the Americas.

Consider the economic progress in Brazil and Argentina since the restoration of democracy in those two great nations -- the kind of progress which can enable these and other countries of the hemisphere to honour their obligations without foresaking growth.



Wherever we come from in the Americas, however we came to the Americas, we have elements of a common heritage of geography, history and culture and a common belief in democracy.

Parts of Vancouver Island, for example, were first charted by the Peruvian explorer, Juan Francisco Quadra. Quadra was among the first, but by no means the last Latin American whose life adventure brought him to Canada. Altogether, some 300,000 Canadians trace their roots to the region.

North and south in the Americas, we have much to learn about one another. The interest of Canadians in the hemisphere is not new. I refer not only to trade and investment flows, to banking and tourism, but to security, stability and solidarity.

To the security of supply, for example, of Venezuelan crude, which accounts for 40 per cent of our imported oil.

To the stability of the hemisphere, to the vouchsafing of our democratic and western values against the menace of terrorism.

To our solidarity in the war against drug abuse. In the southern part of the hemisphere, your governments are in the front line of that war. They are working to reduce the supply push, as we are working to reduce the demand pull.

North and south in the hemisphere, we have a lot to do with one another, more than many of us know.

The region is the second-largest area of direct Canadian investment, second only to the United States, valued at more than \$3 billion.

- - It is our fourth largest trading area, after the United States, the European Community and Japan. We do more trade with Brazil than with Australia, nearly as much in fact as with the entire Asean region.

Fifty-six per cent of all our exports to the region is in manufactured goods, and our strengths - in transport, communications, energy development, agriculture, mining and resources - are complementary with the needs of the region.

Our share of Latin American imports is about 2.5 per cent, double that in the Caribbean, compared with 1.5 per cent for Canadian exports worldwide, if you exclude the United States.

I think we can do better in your markets, and your countries can do better in ours. I'm talking trade here, and it's most appropriate that I do so today as the ministerial phase of multilateral trade negotiations begins in Uruguay.

In trade, our policy flows in two streams, in the multilateral negotiations in the GATT, and in the bilateral discussions we have undertaken with the United States. These two streams flow in the same direction; they are complementary.

It is absolutely essential for Canada that the multilateral trading network be reinforced, its rules strengthened and the opportunities for third world economies increased.

Our two-way talks with the U.S. will in no way inhibit trading relations with our other partners in the hemisphere and around the world.

Nearly eighty per cent of our exports, some \$95 billion last year, was with the United States. Our imports from the United States, nearly \$75 billion last year, represented some 72% of all Canadian imports. That two-way trading relationship, nearly \$170 billion a year, is the biggest in the world.

Whatever occurs between the world's largest trading partners, with a view to elimination of protectionist measures and reducing tariff and non-tariff trading barriers, is bound to have beneficial results for our other trading partners. We are not only a nation of free traders, we are a nation of fair traders.

We put the concerns of the agricultural sector on the agenda of the Tokyo Summit last May.

We're particularly concerned about the effects on farmers, throughout the hemisphere no less than in Canada, of the spreading agriculture subsidy war between the U.S. and the European Community.

In the Summit Group of Seven Nations, as in the G-7 group of Finance Ministers, in the IMF and the Paris Club, Canada is sympathetic to the concerns of our Latin American partners for a flexible approach to the problems of debt and development.

We know that management of the debt issue is the most daunting challenge facing many Latin American governments.

We know that Latin America's debt burden can be alleviated only through the kind of stabilization and non-inflationary growth we are beginning to see in Brazil and Argentina.

We know that, with an external debt of \$360 billion U.S., and counting every day, there's a financial time bomb ticking in the hemisphere.

We know that it threatens not only to undermine the stability of the international financial system, but our very way of life.

We believe in the north that the situation calls for flexibility in the re-negotiation and re-financing of debtor states loans.

We believe that in the south the situation has required drastic and difficult action, and severe sacrifices.

Having borrowed to grow, the developing nations must be permitted to contribute to the international economy. Canada is firmly on the side of an approach that allows the debtor nations ample time, flexibility and fairness in order to work out reasonable solutions to this problem.

Having taken the appropriate measures to control their debt, they must be permitted through trade to find renewed growth.

It's as simple and as complex as that. It's why we have supported the Baker initiative. And it's one reason why all of us attach so much importance to the meetings which begin today in Punta Del Este.

The Punta Del Este meeting marks the first time the GATT signatories have met in a developing country, and reminds us all of the important role Latin America plays in the world trading system.



We are pleased that Mexico is attending its first meeting of the organization, and expect it to add a strong voice for the interests of the hemisphere in the councils of the world trade organization.

Investment too has its role to play in the restructuring of the emerging economies and Canadian investors need no reminder of the importance of Latin America.

Our people have been Ambassadors for Canada throughout the hemisphere, from investors to industrialists, from missionaries to those Canadians who, in winter, worship the sun.

But I would equally like to point out Canadian financial participation in the region's modernization initiatives.

In Colombia, for example, we are co-financing a \$77 million hydroelectric generator project for Bogota.

In Grenada, our export development corporation, the Canadian International Development Agency and the banks are participating in a \$15 million parallel financing program that will give the Island a new telephone system installed by Northern Telecom. In Peru, Canada has financed the construction of an institute of technology and has provided technical expertise to that institute over the past eight years.

In official development assistance, Canada sends nearly \$200 million to the region each year. That aid reflects our confidence in the future of the Americas.

I know first hand of the immense potential, and the will to succeed, throughout the region.

The Commonwealth-Caribbean meeting in Jamaica last year resulted in Caribcan, a new economic and trade assistance program which has developed from the special relationship between the Commonwealth Caribbean and Canada.

Canada's interest in the Caribbean is by no means confined to the Commonwealth States. We have closely monitored and we welcome the change of government, and the evolution towards democracy, in Haiti. We have, in Montreal, the third largest community of expatriate Haitians in the world, driven from their homeland by the brutality of the Duvalier regime, by the circumstance of poverty.

Canada stands ready not only to welcome Haiti to the ranks of free nations, we stand ready with economic assistance, which we're doubling next year to \$13 million. Again, I'm confident that democracy and development will go hand in hand.

We take heart from the growth of democracy in Central America, but are greatly concerned by the current polarization there.

In the past two years, Canada has sent observers to monitor elections in El Salvador, Honduras and Guatemala, and in each case their reports were highly positive. But we are acutely aware of human rights violations in Guatemala and El Salvador, and this continues to be of great concern to us.

Equally, we are aware of grave civil rights violations in Nicaragua. We very much regret and strongly deplore the closing of the newspaper La Prensa, which is represented in this room but not available on the streets of Managua.

- . I invite the Sandinista leadership to recall the spirit in which their revolution was born. In that spirit, a bishop would not be barred from his pulpit, and a newspaper would not be banned from the streets.

Nor are we in favor of exporting revolution, any more than we approve of third party intervention anywhere in Central America.

Whoever the third party may be, and regardless of its legitimate interests in the area.

We regret the extension of East-West disagreements into the area, and we do not approve of any country supplying arms to any faction in the area.

This is why we support the Contadora initiative, thwarted though it may be, as the best instrument for reconciliation in Central America.

We know that only with development and peace can democracy prosper.

With development, the people of Central America will not turn to totalitarian prescriptions for their economic misfortune, when they can turn to democracy for hope.

Canada has received thousands of Latin American refugees, especially since the overthrow of the Allende government.

We await with impatience the restoration of democratic freedoms in Chile, a cradle of democracy in this hemisphere, where senseless violence by both the opponents and supporters of the present regime has caused yet another setback: Canada condemns this violence in the strongest terms.

But sometimes in North America, we overlook the enduring quality of democracy in South America.

This year of 1986 marks the centenary of the constitution of Colombia, and it is timely to remember the words of General Francisco de Paula Santander, a brother in arms of Simon Bolivar and later President of Colombia.

"If arms have given us independence," he said, "it is the rule of law that assures our liberty."

Sometimes in North America we overlook the history of Latin American democracy, which is continent wide and truly inspired.

Sometimes too we overlook that the founding fathers of your republics were children of the enlightenment.

They have bequeathed to the hemisphere and the world the principles of non-intervention in the sovereign affairs of other nations, and of adherence to the principles of international law.

In Canada, we share in that legacy.

And we will continue to promote that community of interest that has seen us work with many of your nations, enhancing the role of middle powers in the affairs of all nations.

This has been so since the founding of the League of Nations after one war, and of the United Nations after another.



In that sense, we are all heirs and trustees of the democratic traditions of the Americas.

We are all the spiritual descendants of those people indigenous to the Americas as well as those intrepid explorers who made their way across an ocean, seeking the Indian subcontinent, and found the Western hemisphere instead.

And we are all still seeking a new and a better world.

Thank you.

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# STATEMENTS AND SPEECHES



Document  
of the Stockholm Conference  
on Confidence and  
Security-Building Measures  
and Disarmament in Europe

STOCKHOLM, SWEDEN

September 19, 1986

Canada



## **DOCUMENT OF THE STOCKHOLM CONFERENCE**

### **ON CONFIDENCE- AND SECURITY-BUILDING MEASURES AND DISARMAMENT IN EUROPE CONVENED IN ACCORDANCE WITH THE RELEVANT PROVISIONS OF THE CONCLUDING DOCUMENT OF THE MADRID MEETING OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE**

- (1) The representatives of the participating States of the Conference on Security and Co-operation in Europe (CSCE), Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States of America and Yugoslavia, met in Stockholm from 17 January 1984 to 19 September 1986, in accordance with the provisions relating to the Conference on Confidence- and Security-Building Measures and Disarmament in Europe contained in the Concluding Document of the Madrid Follow-up Meeting of the CSCE.
- (2) The participants were addressed by the Prime Minister of Sweden, the late Olof Palme, on 17 January 1984.
- (3) Opening statements were made by the Ministers of Foreign Affairs and other Heads of Delegation. The Prime Minister of Spain as well as Ministers and senior officials of several other participating States addressed the Conference later. The Minister for Foreign Affairs of Sweden addressed the Conference on 19 September 1986.
- (4) The Secretary-General of the United Nations addressed the Conference on 6 July 1984.
- (5) Contributions were made by the following non-participating Mediterranean States: Algeria, Egypt, Israel, Lebanon, Libya, Morocco, Syria and Tunisia.
- (6) The participating States recalled that the aim of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe is, as a substantial and integral part of the multilateral process initiated by the Conference on Security and Co-operation in Europe, to undertake, in stages, new, effective and concrete actions designed to make progress in strengthening confidence and security and in achieving disarmament, so as to give effect and expression to the duty of States to refrain from the threat or use of force in their mutual relations as well as in their international relations in general.
- (7) The participating States recognized that the set of mutually complementary confidence- and security-building measures which are adopted in the present document and which are in accordance with the Madrid mandate serve by their scope and nature and by their implementation to strengthen confidence and security in Europe and thus to give effect and expression to the duty of States to refrain from the threat or use of force.



- (8) Consequently the participating States have declared the following:

### **REFRAINING FROM THE THREAT OR USE OF FORCE**

- (9) The participating States, recalling their obligation to refrain, in their mutual relations as well as in their international relations in general, from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations, accordingly reaffirm their commitment to respect and put into practice the principle of refraining from the threat or use of force, as laid down in the Final Act.
- (10) No consideration may be invoked to serve to warrant resort to the threat or use of force in contravention of this principle.
- (11) They recall the inherent right of individual or collective self-defence if an armed attack occurs, as set forth in the Charter of the United Nations.
- (12) They will refrain from any manifestation of force for the purpose of inducing any other State to renounce the full exercise of its sovereign rights.
- (13) As set forth in the Final Act, no occupation or acquisition of territory resulting from the threat or use of force in contravention of international law, will be recognized as legal.
- (14) They recognize their commitment to peace and security. Accordingly they reaffirm that they will refrain from any use of armed forces inconsistent with the purposes and principles of the Charter of the United Nations and the provisions of the Declaration on Principles Guiding Relations between Participating States, against another participating State, in particular from invasion of or attack on its territory.
- (15) They will abide by their commitment to refrain from the threat or use of force in their relations with any State, regardless of that State's political, social, economic or cultural system and irrespective of whether or not they maintain with that State relations of alliance.
- (16) They stress that non-compliance with the obligation of refraining from the threat or use of force, as recalled above, constitutes a violation of international law.
- (17) They stress their commitment to the principle of peaceful settlement of disputes as contained in the Final Act, convinced that it is an essential complement to the duty of States to refrain from the threat or use of force, both being essential factors for the maintenance and consolidation of peace and security. They recall their determination and the necessity to reinforce and to improve the methods at their disposal for the peaceful settlement of disputes. They reaffirm their resolve to make every effort to settle exclusively by peaceful means any dispute between them.
- (18) The participating States stress their commitment to the Final Act and the need for full implementation of all its provisions, which will further the process of improving security and developing co-operation in Europe, thereby contributing to international peace and security in the world as a whole.
- (19) They emphasize their commitment to all the principles of the Declaration on Principles Guiding Relations between Participating States and declare their determination to respect and put them into practice irrespective of their political, economic or social systems as well as of their size, geographical location or level of economic development.

- (20) All these ten principles are of primary significance and, accordingly, they will be equally and unreservedly applied, each of them being interpreted taking into account the others.
- (21) Respect for and the application of these principles will enhance the development of friendly relations and co-operation among the participating States in all fields covered by the provisions of the Final Act.
- (22) They reconfirm their commitment to the basic principle of the sovereign equality of States and stress that all States have equal rights and duties within the framework of international law.
- (23) They reaffirm the universal significance of human rights and fundamental freedoms. Respect for and the effective exercise of these rights and freedoms are essential factors for international peace, justice and security, as well as for the development of friendly relations and co-operation among themselves as among all States, as set forth in the Declaration on Principles Guiding Relations between Participating States.
- (24) They reaffirm that, in the broader context of world security, security in Europe is closely linked with security in the Mediterranean area as a whole; in this context, they confirm their intention to develop good neighbourly relations with all States in the region, with due regard to reciprocity, and in the spirit of the principles contained in the Declaration on Principles Guiding Relations between Participating States, so as to promote confidence and security and make peace prevail in the region in accordance with the provisions contained in the Mediterranean chapter of the Final Act.
- (25) They emphasize the necessity to take resolute measures to prevent and to combat terrorism, including terrorism in international relations. They express their determination to take effective measures, both at the national level and through international co-operation, for the prevention and suppression of all acts of terrorism. They will take all appropriate measures in preventing their respective territories from being used for the preparation, organization or commission of terrorist activities. This also includes measures to prohibit on their territories illegal activities, including subversive activities, of persons, groups and organizations that instigate, organize or engage in the perpetration of acts of terrorism, including those directed against other States and their citizens.
- (26) They will fulfil in good faith their obligations under international law; they also stress that strict compliance with their commitments within the framework of the CSCE is essential for building confidence and security.
- (27) The participating States confirm that in the event of a conflict between the obligations of the members of the United Nations under the Charter of the United Nations and their obligations under any treaty or other international agreement, their obligations under the Charter will prevail, in accordance with Article 103 of the Charter of the United Nations.
- (28) The participating States have adopted the following measures:

## PRIOR NOTIFICATION OF CERTAIN MILITARY ACTIVITIES

- (29) The participating States will give notification in writing through diplomatic channels in an agreed form of content, to all other participating States 42 days or more in advance of the start of notifiable\* military activities in the zone of application for confidence- and security-building measures (CSBMs).\*\*
- (30) Notification will be given by the participating State on whose territory the activity in question is planned to take place even if the forces of that State are not engaged in the activity or their strength is below the notifiable level. This will not relieve other participating States of their obligation to give notification, if their involvement in the planned military activity reaches the notifiable level.
- (31) Each of the following military activities in the field conducted as a single activity in the zone of application for CSBMs at or above the levels defined below, will be notified:
- (31.1) The engagement of formations of land forces\*\*\* of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components.
- (31.1.1) This military activity will be subject to notification whenever it involves at any time during the activity:
- at least 13,000 troops, including support troops, or
  - at least 300 battle tanks
- if organized into a divisional structure or at least two brigades/regiments, not necessarily subordinate to the same division.
- (31.1.2) The participation of air forces of the participating States will be included in the notification if it is foreseen that in the course of the activity 200 or more sorties by aircraft, excluding helicopters, will be flown.
- (31.2) The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs.
- (31.2.1) These military activities will be subject to notification whenever the amphibious landing involves at least 3,000 troops or whenever the parachute drop involves at least 3,000 troops.
- (31.3) The engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated.
- (31.3.1) The arrival or concentration of these forces will be subject to notification whenever it involves, at any time during the activity:
- at least 13,000 troops, including support troops, or
  - at least 300 battle tanks
- if organized into a divisional structure or at least two brigades/regiments, not necessarily subordinate to the same division.

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\* In this document, the term notifiable means subject to notification.

\*\* See Annex I.

\*\*\* In this context, the term land forces includes amphibious, airmobile and airborne forces.

- (31.3.2) Forces which have been transferred into the zone will be subject to all provisions of agreed CSBMs when they depart their arrival points to participate in a notifiable exercise activity or to be concentrated within the zone of application for CSBMs.
- (32) Notifiable military activities carried out without advance notice to the troops involved, are exceptions to the requirement for prior notification to be made 42 days in advance.
- (32.1) Notification of such activities, above the agreed thresholds, will be given at the time the troops involved commence such activities.
- (33) Notification will be given in writing of each notifiable military activity in the following agreed form:
- (34) **A – General Information**
- (34.1) The designation of the military activity;
- (34.2) The general purpose of the military activity;
- (34.3) The names of the States involved in the military activity;
- (34.4) The level of command, organizing and commanding the military activity;
- (34.5) The start and end dates of the military activity.
- (35) **B – Information on different types of notifiable military activities**
- (35.1) The engagement of formations of land forces of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components:
- (35.1.1) The total number of troops taking part in the military activity (i. e., ground troops, amphibious troops, airmobile and airborne troops) and the number of troops participating for each State involved, if applicable;
- (35.1.2) Number and type of divisions participating for each State;
- (35.1.3) The total number of battle tanks for each State and the total number of anti-tank guided missile launchers mounted on armoured vehicles;
- (35.1.4) The total number of artillery pieces and multiple rocket launchers (100 mm calibre or above);
- (35.1.5) The total number of helicopters, by category;
- (35.1.6) Envisaged number of sorties by aircraft, excluding helicopters;
- (35.1.7) Purpose of air missions;
- (35.1.8) Categories of aircraft involved;
- (35.1.9) The level of command, organizing and commanding the air force participation;
- (35.1.10) Naval ship-to-shore gunfire;



- (35.1.11) Indication of other naval ship-to-shore support;
- (35.1.12) The level of command, organizing and commanding the naval force participation.
- (35.2) The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs:
  - (35.2.1) The total number of amphibious troops involved in notifiable amphibious landings, and/or the total number of airborne troops involved in notifiable parachute assaults;
  - (35.2.2) In the case of a notifiable amphibious landing, the point or points of embarkation, if in the zone of application for CSBMs.
- (35.3) The engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated:
  - (35.3.1) The total number of troops transferred;
  - (35.3.2) Number and type of divisions participating in the transfer;
  - (35.3.3) The total number of battle tanks participating in a notifiable arrival or concentration;
  - (35.3.4) Geographical co-ordinates for the points of arrival and for the points of concentration.
- (36) **C – The envisaged area and timeframe of the activity**
  - (36.1) The area of the military activity delimited by geographic features together with geographic co-ordinates, as appropriate;
  - (36.2) The start and end dates of each phase (transfers, deployment, concentration of forces, active exercise phase, recovery phase) of activities in the zone of application for CSBMs of participating formations, the tactical purpose and corresponding geographical areas (delimited by geographical co-ordinates) for each phase;
  - (36.3) Brief description of each phase.
- (37) **D – Other information**
  - (37.1) Changes, if any, in relation to information provided in the annual calendar regarding the activity;
  - (37.2) Relationship of the activity to other notifiable activities.

## OBSERVATION OF CERTAIN MILITARY ACTIVITIES

- (38) The participating States will invite observers from all other participating States to the following notifiable military activities:
- (38.1) – The engagement of formations of land forces\* of the participating States in the same exercise activity conducted under a single operational command independently or in combination with any possible air or naval components.
- (38.2) – The engagement of military forces either in an amphibious landing or in a parachute assault by airborne forces in the zone of application for CSBMs.
- (38.3) – In the case of the engagement of formations of land forces of the participating States in a transfer from outside the zone of application for CSBMs to arrival points in the zone, or from inside the zone of application for CSBMs to points of concentration in the zone, to participate in a notifiable exercise activity or to be concentrated, the concentration of these forces. Forces which have been transferred into the zone will be subject to all provisions of agreed confidence- and security-building measures when they depart their arrival points to participate in a notifiable exercise activity or to be concentrated within the zone of application for CSBMs.
- (38.4) The above-mentioned activities will be subject to observation whenever the number of troops engaged meets or exceeds 17,000 troops, except in the case of either an amphibious landing or a parachute assault by airborne forces, which will be subject to observation whenever the number of troops engaged meets or exceeds 5,000 troops.
- (39) The host State will extend the invitations in writing through diplomatic channels to all other participating States at the time of notification. The host State will be the participating State on whose territory the notified activity will take place.
- (40) The host State may delegate some of its responsibilities as host to another participating State engaged in the military activity on the territory of the host State. In such cases, the host State will specify the allocation of responsibilities in its invitation to observe the activity.
- (41) Each participating State may send up to two observers to the military activity to be observed.
- (42) The invited State may decide whether to send military and/or civilian observers, including members of its personnel accredited to the host State. Military observers will, normally, wear their uniforms and insignia while performing their tasks.
- (43) Replies to the invitation will be given in writing not later than 21 days after the issue of the invitation.
- (44) The participating States accepting an invitation will provide the names and ranks of their observers in their reply to the invitation. If the invitation is not accepted in time, it will be assumed that no observers will be sent.
- (45) Together with the invitation the host State will provide a general observation programme, including the following information:
- (45.1) – the date, time and place of assembly of observers;

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\* In this context, the term land forces includes amphibious, airmobile and airborne forces.

- (45.2) -- planned duration of the observation programme;
- (45.3) -- languages to be used in interpretation and/or translation;
- (45.4) -- arrangements for board, lodging and transportation of the observers;
- (45.5) -- arrangements for observation equipment which will be issued to the observers by the host State;
- (45.6) -- possible authorization by the host State of the use of special equipment that the observers may bring with them;
- (45.7) -- arrangements for special clothing to be issued to the observers because of weather or environmental factors.
- (46) The observers may make requests with regard to the observation programme. The host State will, if possible, accede to them.
- (47) The host State will determine a duration of observation which permits the observers to observe a notifiable military activity from the time that agreed thresholds for observation are met or exceeded until, for the last time during the activity, the thresholds for observation are no longer met.
- (48) The host State will provide the observers with transportation to the area of the notified activity and back. This transportation will be provided from either the capital or another suitable location to be announced in the invitation, so that the observers are in position before the start of the observation programme.
- (49) The invited State will cover the travel expenses for its observers to the capital, or another suitable location specified in the invitation, of the host State, and back.
- (50) The observers will be provided equal treatment and offered equal opportunities to carry out their functions.
- (51) The observers will be granted, during their mission, the privileges and immunities accorded to diplomatic agents in the Vienna Convention on Diplomatic Relations.
- (52) The host State will not be required to permit observation of restricted locations, installations or defence sites.
- (53) In order to allow the observers to confirm that the notified activity is non-threatening in character and that it is carried out in conformity with the appropriate provisions of the notification, the host State will:
  - (53.1) -- at the commencement of the observation programme give a briefing on the purpose, the basic situation, the phases of the activity and possible changes as compared with the notification and provide the observers with a map of the area of the military activity with a scale of 1 to not more than 500,000 and an observation programme with a daily schedule as well as a sketch indicating the basic situation;
  - (53.2) -- provide the observers with appropriate observation equipment; however, the observers will be allowed to use their personal binoculars, which will be subject to examination and approval by the host State;

- (53.3) – in the course of the observation programme give the observers daily briefings with the help of maps on the various phases of the military activity and their development and inform the observers about their positions geographically; in the case of a land force activity conducted in combination with air or naval components, briefings will be given by representatives of these forces;
- (53.4) – provide opportunities to observe directly forces of the State/States engaged in the military activity so that the observers get an impression of the flow of the activity; to this end, the observers will be given the opportunity to observe major combat units of the participating formations of a divisional or equivalent level and, whenever possible, to visit some units and communicate with commanders and troops; commanders or other senior personnel of participating formations as well as of the visited units will inform the observers of the mission of their respective units;
- (53.5) – guide the observers in the area of the military activity; the observers will follow the instructions issued by the host State in accordance with the provisions set out in this document;
- (53.6) – provide the observers with appropriate means of transportation in the area of the military activity;
- (53.7) – provide the observers with opportunities for timely communication with their embassies or other official missions and consular posts; the host State is not obligated to cover the communication expense of the observers;
- (53.8) – provide the observers with appropriate board and lodging in a location suitable for carrying out the observation programme and, when necessary, medical care.
- (54) The participating States need not invite observers to notifiable military activities which are carried out without advance notice to the troops involved unless these notifiable activities have a duration of more than 72 hours. The continuation of these activities beyond this time will be subject to observation while the agreed thresholds for observation are met or exceeded. The observation programme will follow as closely as practically possible all the provisions for observation set out in this document.

## ANNUAL CALENDARS

- (55) Each participating State will exchange, with all other participating States, an annual calendar of its military activities subject to prior notification\*, within the zone of application for CSBMs, forecast for the subsequent calendar year. It will be transmitted every year, in writing, through diplomatic channels, not later than 15 November for the following year.
- (56) Each participating State will list the above-mentioned activities chronologically and will provide information on each activity in accordance with the following model:
- (56.1) – type of military activity and its designation;
- (56.2) – general characteristics and purpose of the military activity;
- (56.3) – States involved in the military activity;
- (56.4) – area of the military activity, indicated by appropriate geographic features and/or defined by geographic co-ordinates;

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\* as defined in the provisions on Prior Notification of Certain Military Activities.



- (56.5) – planned duration of the military activity and the 14-day period, indicated by dates, within which it is envisaged to start;
- (56.6) – the envisaged total number of troops\* engaged in the military activity;
- (56.7) – the types of armed forces involved in the military activity;
- (56.8) – the envisaged level of command, under which the military activity will take place;
- (56.9) – the number and type of divisions whose participation in the military activity is envisaged;
- (56.10) – any additional information concerning, *inter alia*, components of armed forces, which the participating State planning the military activity considers relevant.
- (57) Should changes regarding the military activities in the annual calendar prove necessary, they will be communicated to all other participating States no later than in the appropriate notification.
- (58) Information on military activities subject to prior notification not included in an annual calendar will be communicated to all participating States as soon as possible, in accordance with the model provided in the annual calendar.

### **CONSTRAINING PROVISIONS**

- (59) Each participating State will communicate, in writing, to all other participating States, by 15 November each year, information concerning military activities subject to prior notification\* involving more than 40,000 troops\*, which it plans to carry out in the second subsequent calendar year. Such communication will include preliminary information on each activity, as to its general purpose, timeframe and duration, area, size and States involved.
- (60) Participating States will not carry out military activities subject to prior notification involving more than 75,000 troops, unless they have been the object of communication as defined above.
- (61) Participating States will not carry out military activities subject to prior notification involving more than 40,000 troops unless they have been included in the annual calendar, not later than 15 November each year.
- (62) If military activities subject to prior notification are carried out in addition to those contained in the annual calendar, they should be as few as possible.

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\* as defined in the provisions on Prior Notification of Certain Military Activities.

## COMPLIANCE AND VERIFICATION

- (63) According to the Madrid Mandate, the confidence- and security-building measures to be agreed upon "will be provided with adequate forms of verification which correspond to their content."
- (64) The participating States recognize that national technical means can play a role in monitoring compliance with agreed confidence- and security-building measures.
- (65) In accordance with the provisions contained in this document each participating State has the right to conduct inspections on the territory of any other participating State within the zone of application for CSBMs.
- (66) Any participating State will be allowed to address a request for inspection to another participating State on whose territory, within the zone of application for CSBMs, compliance with the agreed confidence- and security-building measures is in doubt.
- (67) No participating State will be obliged to accept on its territory within the zone of application for CSBMs, more than three inspections per calendar year.
- (68) No participating State will be obliged to accept more than one inspection per calendar year from the same participating State.
- (69) An inspection will not be counted if, due to *force majeure*, it cannot be carried out.
- (70) The participating State which requests an inspection will state the reasons for such a request.
- (71) The participating State which has received such a request will reply in the affirmative to the request within the agreed period of time, subject to the provisions contained in paragraphs (67) and (68).
- (72) Any possible dispute as to the validity of the reasons for a request will not prevent or delay the conduct of an inspection.
- (73) The participating State which requests an inspection will be permitted to designate for inspection on the territory of another State within the zone of application for CSBMs, a specific area. Such an area will be referred to as the "specified area". The specified area will comprise terrain where notifiable military activities are conducted or where another participating State believes a notifiable military activity is taking place. The specified area will be defined and limited by the scope and scale of notifiable military activities but will not exceed that required for an army level military activity.
- (74) In the specified area the representatives of the inspecting State accompanied by the representatives of the receiving State will be permitted access, entry and unobstructed survey, except for areas or sensitive points to which access is normally denied or restricted, military and other defence installations, as well as naval vessels, military vehicles and aircraft. The number and extent of the restricted areas should be as limited as possible. Areas where notifiable military activities can take place will not be declared restricted areas, except for certain permanent or temporary military installations which, in territorial terms, should be as small as possible, and

consequently those areas will not be used to prevent inspection of notifiable military activities. Restricted areas will not be employed in a way inconsistent with the agreed provisions on inspection.

- (75) Within the specified area, the forces of participating States other than the receiving State will also be subject to the inspection conducted by the inspecting State.
- (76) Inspection will be permitted on the ground, from the air, or both.
- (77) The representatives of the receiving State will accompany the inspection team, including when it is in land vehicles and an aircraft from the time of their first employment until the time they are no longer in use for the purposes of inspection.
- (78) In its request, the inspecting State will notify the receiving State of:
- (78.1) – the reasons for the request;
  - (78.2) – the location of the specified area defined by geographical co-ordinates;
  - (78.3) – the preferred point(s) of entry for the inspection team;
  - (78.4) – mode of transport to and from the point(s) of entry and, if applicable, to and from the specified area;
  - (78.5) – where in the specified area the inspection will begin;
  - (78.6) – whether the inspection will be conducted from the ground, from the air, or both simultaneously;
  - (78.7) – whether aerial inspection will be conducted using an airplane, a helicopter, or both;
  - (78.8) – whether the inspection team will use land vehicles provided by the receiving State or, if mutually agreed, its own vehicles;
  - (78.9) – information for the issuance of diplomatic visas to inspectors entering the receiving State.
- (79) The reply to the request will be given in the shortest possible period of time, but within not more than twenty-four hours. Within thirty-six hours after the issuance of the request, the inspection team will be permitted to enter the territory of the receiving State.
- (80) Any request for inspection as well as the reply thereto will be communicated to all participating States without delay.
- (81) The receiving State should designate the point(s) of entry as close as possible to the specified area. The receiving State will ensure that the inspection team will be able to reach the specified area without delay from the point(s) of entry.
- (82) All participating States will facilitate the passage of the inspection teams through their territory.
- (83) Within 48 hours after the arrival of the inspection team at the specified area, the inspection will be terminated.

- (84) There will be no more than four inspectors in an inspection team. While conducting the inspection the inspection team may divide into two parts.
- (85) The inspectors and, if applicable, auxiliary personnel, will be granted during their mission the privileges and immunities in accordance with the Vienna Convention on Diplomatic Relations.
- (86) The receiving State will provide the inspection team with appropriate board and lodging in a location suitable for carrying out the inspection, and, when necessary, medical care; however this does not exclude the use by the inspection team of its own tents and rations.
- (87) The inspection team will have use of its own maps, own photo cameras, own binoculars and own dictaphones, as well as own aeronautical charts.
- (88) The inspection team will have access to appropriate telecommunications equipment of the receiving State, including the opportunity for continuous communication between the members of an inspection team in an aircraft and those in a land vehicle employed in the inspection.
- (89) The inspecting State will specify whether aerial inspection will be conducted using an airplane, a helicopter or both. Aircraft for inspection will be chosen by mutual agreement between the inspecting and receiving States. Aircraft will be chosen which provide the inspection team a continuous view of the ground during the inspection.
- (90) After the flight plan, specifying, *inter alia*, the inspection team's choice of flight path, speed and altitude in the specified area, has been filed with the competent air traffic control authority the inspection aircraft will be permitted to enter the specified area without delay. Within the specified area, the inspection team will, at its request, be permitted to deviate from the approved flight plan to make specific observations provided such deviation is consistent with paragraph (74) as well as flight safety and air traffic requirements. Directions to the crew will given through a representative of the receiving State on board the aircraft involved in the inspection.
- (91) One member of the inspection team will be permitted, if such a request is made, at any time to observe data on navigational equipment of the aircraft and to have access to maps and charts used by the flight crew for the purpose of determining the exact location of the aircraft during the inspection flight.
- (92) Aerial and ground inspectors may return to the specified area as often as desired within the 48-hour inspection period.
- (93) The receiving State will provide for inspection purposes land vehicles with cross country capability. Whenever mutually agreed taking into account the specific geography relating to the area to be inspected, the inspecting State will be permitted to use its own vehicles.
- (94) If land vehicles or aircraft are provided by the inspecting State, there will be one accompanying driver for each land vehicle, or accompanying aircraft crew.
- (95) The inspecting State will prepare a report of its inspection and will provide a copy of that report to all participating States without delay.



- (96) The inspection expenses will be incurred by the receiving State except when the inspecting State uses its own aircraft and/or land vehicles. The travel expenses to and from the point(s) of entry will be borne by the inspecting State.
- (97) Diplomatic channels will be used for communications concerning compliance and verification.
- (98) Each participating State will be entitled to obtain timely clarification from any other participating State concerning the application of agreed confidence- and security-building measures. Communications in this context will, if appropriate, be transmitted to all other participating States.

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- (99) The participating States stress that these confidence- and security-building measures are designed to reduce the dangers of armed conflict and of misunderstanding or miscalculation of military activities and emphasize that their implementation will contribute to these objectives.
- (100) Reaffirming the relevant objectives of the Final Act, the participating States are determined to continue building confidence, to lessen military confrontation and to enhance security for all. They are also determined to achieve progress in disarmament.
- (101) The measures adopted in this document are politically binding and will come into force on 1 January 1987.
- (102) The Government of Sweden is requested to transmit the present document to the follow-up meeting of the CSCE in Vienna and to the Secretary-General of the United Nations. The Government of Sweden is also requested to transmit the present document to the Governments of the non-participating Mediterranean States.
- (103) The text of this document will be published in each participating State, which will disseminate it and make it known as widely as possibly.
- (104) The representatives of the participating States express their profound gratitude to the Government and people of Sweden for the excellent arrangements made for the Stockholm Conference and the warm hospitality extended to the delegations which participated in the Conference.

Stockholm, 19 September 1986

Under the terms of the Madrid mandate, the zone of application for CSBMs is defined as follows:

“On the basis of equality of rights, balance and reciprocity, equal respect for the security interests of all CSCE participating States, and of their respective obligations concerning confidence- and security-building measures and disarmament in Europe, these confidence- and security-building measures will cover the whole of Europe as well as the adjoining sea area\* and air space. They will be of military significance and politically binding and will be provided with adequate forms of verification which correspond to their content.

As far as the adjoining sea area\* and air space is concerned, the measures will be applicable to the military activities of all the participating States taking place there whenever these activities affect security in Europe as well as constitute a part of activities taking place within the whole of Europe as referred to above, which they will agree to notify. Necessary specifications will be made through the negotiations on the confidence- and security-building measures at the Conference.

Nothing in the definition of the zone given above will diminish obligations already undertaken under the Final Act. The confidence- and security-building measures to be agreed upon at the Conference will also be applicable in all areas covered by any of the provisions in the Final Act relating to confidence-building measures and certain aspects of security and disarmament.

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\* In this context, the notion of adjoining sea area is understood to refer also to ocean areas adjoining Europe.”

Wherever the term “the zone of application for CSBMs” is used in this document, the above definition will apply.

### CHAIRMAN'S STATEMENT

It is understood that, taking into account the agreed date of entry into force of the agreed confidence- and security-building measures and the provisions contained in them concerning the timeframes of certain advance notifications, and expressing their interest in an early transition to the full implementation of the provisions of this document, the participating States agree to the following:

The annual calendars concerning military activities subject to prior notification and forecast for 1987 will be exchanged not later than 15 December 1986.

Communications, in accordance with agreed provisions, concerning military activities involving more than 40,000 troops planned for the calendar year 1988 will be exchanged by 15 December 1986. Participating States may undertake activities involving more than 75,000 troops during the calendar year 1987 provided that they are included in the annual calendar exchanged by 15 December 1986.

Activities to begin during the first 42 days after 1 January 1987 will be subject to the relevant provisions of the Final Act of the CSCE. However, the participating States will make every effort to apply to them the provisions of this document to the maximum extent possible.

This statement will be an annex to the Document of the Stockholm Conference and will be published with it.

Stockholm, 19 September 1986

### **CHAIRMAN'S STATEMENT**

It is understood that each participating State can raise any question consistent with the mandate of the Conference on Confidence- and Security-Building Measures and Disarmament in Europe at any stage subsequent to the Vienna CSCE Follow-up Meeting.

This statement will be an annex to the Document of the Stockholm Conference and will be published with it.

Stockholm, 19 September 1986



### CHAIRMAN'S STATEMENT

It is understood that the participating States recall that they have the right to belong or not to belong to international organizations, to be or not to be a party to bilateral or multilateral treaties including the right to be or not to be a party to treaties of alliance; they also have the right of neutrality. In this context, they will not take advantage of these rights to circumvent the purposes of the system of inspection, and in particular the provision that no participating State will be obliged to accept on its territory within the zone of application for CSBMs, more than three inspections per calendar year.

Appropriate understandings between participating States on this subject will be expressed in interpretative statements to be included in the journal of the day.

This statement will be an annex to the Document of the Stockholm Conference and will be published with it.

Stockholm, 19 September 1986

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FOREIGN POLICY

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External Affairs  
Canada

Affaires extérieures  
Canada

# STATEMENTS AND SPEECHES



Statement by the Right Honourable  
Joe Clark, Secretary of State for  
External Affairs, to the 41st Session  
of the General Assembly of the  
United Nations

Canada

NEW YORK, UNITED STATES

September 24, 1986



Mr. President,

May I first congratulate you on your election as President of this Session and pledge Canada's full support. I would also like to wish the Secretary-General well after his recent surgery. His dedication and courage have been an inspiration to us all and we are thankful that we can continue to rely on his leadership.

In my first speech to the General Assembly two years ago, I described Canada as a "friend" of the United Nations. In fact, we are more than that. We believe this institution is essential to the safety of the world, and we defend it even when its actions are foolish or infuriating or wrong. Our country is thirtieth in population size in the world, but fourth in the size of our financial contribution to the United Nations system. Canada's commitment will not alter or change. But the commitment of Canada - and other countries like us - will not alone protect the United Nations from the erosion of respect which is slowly weakening the organization we built to bring the world together.

When we gathered last year to celebrate the 40th Anniversary, a sad irony faced us. The United Nations was becoming more necessary and less effective.

Who among us cannot list many issues that should be addressed and resolved here, but are not? Who among us has not thought of referring one or another issue to this forum but then held back for fear that debate would only serve to exacerbate our difference? Our instincts tell us that this is the right place for issues of global importance, but we often fail to raise them. That failure is the expression of our fear. It has led us more and more to resort to blocs, to bilateralism and even to unilateralism.



Mr. President,

It became apparent during the resumed session of the General Assembly last spring, that some of us were still unconvinced that the UN requires reform. Personally, I have not detected much decline in the amount of rhetoric, nor much increase in pragmatism and consensus-building. The exceptions - which should have been the rule - were our consensus decisions on combatting terrorism and improving the situation in Africa. But even here we made only a beginning.

It would give me the greatest pleasure to be able to say that we had already rededicated ourselves to the fundamental goals of the Charter and had turned the Organization around. That would be too much to expect in one year. Yet a year is long enough to expect some progress to have been made. Instead we have pushed the institution closer to the brink of financial bankruptcy and continued to deprive it of relevance.

We need reform on two fronts - financial and political. This Session starts its deliberation with the consideration of the Report of the Group of High Level Experts on the administration and finances of the UN. The 18 experts deserve our profound gratitude.

There are some recommendations with which Canada might quibble. But this is not a time for quibbling. The recommendations should be accepted without change and applied as soon as possible. They would reinforce the significant measures of financial reform already undertaken by the Secretary-General. The key area that requires further discussion - the planning and budgetary process - is profoundly contentious. We are obviously divided. But we must find common ground lest the whole reform process be imperilled. Our acceptance or rejection of the report of the Group of 18 will be the litmus test of our commitment to renew the UN's capacity to fulfill its mandate.

Our budgets are swollen by the accumulation of outdated and misguided programs. A thorough review would free resources for meeting needs that have long been relatively neglected. These include large areas of development, in particular the promotion of women and the promotion of human rights in general.

We must also deal with the question of arrears and withholdings. At present, these amount to a total of 400 million dollars. This shortfall has severely strapped this

Organization. A fixed schedule of repayment, allowing for some flexibility, would provide a solution to the arrears problem. But even more important is the question of withholdings which, as you know, threatens to cripple the Organization financially this year. We look to those states which are withholding to follow the example of the People's Republic of China which, without any change in "consistent principled positions" has announced payment of accumulated withholdings of \$4.4 million.

The adoption of the report of the Group of 16 and the settlement of arrears and withholdings would address half the problem. The other half is more basic. There is simply no escaping the fact that worldwide support for this institution depends on its performance. There may be some who think that if the UN were flush with funds, all would be well. But the stark reality is that the UN must be reformed politically, as well as financially.

We are in danger of becoming a caricature of the hopes expressed in 1945. This was to be a forum in which difficult decisions were to be taken; it has become a means to avoid them. When there is crisis, we have endless debate. When there is a need for hard compromise, we draft resolutions which defy agreement.

Our publics are sensible. They want peace and prosperity and justice. They judge the United Nations by what we do together, not what we say separately. They want results, not only speeches. They hear our constant refrain about the need to reform - but if we have stopped listening to ourselves, they too will soon stop listening.

The place to start is with administrative and financial reforms. Obviously, putting our house in order won't put the world in order - but it will protect and strengthen the only organization that can. Canada is a strong friend of the UN, but Canadians who are making sacrifices at home do not want to subsidize inefficiency here.

To be sure, there will be resistance to reform. There always is. We either face it down, or risk slipping back into the shadows from which we emerged with so much hope in 1945.

I cannot believe that any of us here could contemplate such a future with equanimity. None of us pretends that even a fully reformed UN will extinguish racism, unleash a global economic boom, or put an immediate end to every regional conflict. Yet we all know the kinds of contribution that UN

agreements can make to international peace, prosperity and social advancement. Resolution 242, the Law of the Sea, and the declaration and covenants on human rights, are but three that come immediately to mind.

Mr President,

In this International Year of Peace, we will be judged more than usual by our achievements in arms control and disarmament. All members of the international community will join Canada in applauding the new dialogue between the United States and the Soviet Union. President Reagan has told us of letters he has exchanged with General Secretary Gorbachev containing new arms control proposals. We welcome this direct open engagement of the two leaders in the negotiating process. The talks last weekend between US Secretary of State Shultz and Soviet Foreign Minister Shevardnadze have also contributed to an improved atmosphere in superpower relations. We can all hope this will lead to progress at the nuclear arms control and space negotiations which the two superpowers have reconvened in Geneva. We are encouraged by recent signs of flexibility in the positions of both sides in their efforts to achieve the agreed goal of radical reductions in nuclear weapons - reductions which will strengthen the strategic balance and improve international security.

The current focus of attention on nuclear arms reductions should not however detract from the necessity of similar progress in the field of conventional arms control. The results of the Stockholm Conference on Confidence and Security-Building Measures and Disarmament in Europe have also added to the sense of momentum towards greater security and cooperation in East-West relations. Stockholm represents the signal accomplishment of bringing new openness and predictability to the conduct of military affairs in Europe. The establishment of agreed procedures for air and ground on-site inspections is a landmark achievement which could serve as a productive precedent for other arms control negotiations. Canada, with our record of promoting constructive verification solutions, derives special satisfaction from having contributed to this outcome. It should facilitate the movement to the negotiation of more extensive measures of military restraint and reductions.

These signs of hope should spur the UN to tackle the broad range of important arms control questions before it. Progress on one issue can unlock progress on others.

Canada will strive for a ban on chemical weapons. We will continue to work to ensure that outer space is developed for peaceful purposes. We will be seeking to play an active role in strengthening the Non-Proliferation Treaty. Canada will again be supporting a comprehensive nuclear test ban. This is a fundamental goal and one towards which concrete steps can and should be taken now. Canada welcomes President Reagan's undertaking that the USA is prepared first to move forward on ratification of the Threshold Test Ban Treaty and the Treaty on Peaceful Nuclear Explosions and then to take subsequent measures to further limit and ultimately end nuclear testing.

We urge all nations to cooperate and indeed participate in the development of the verification techniques needed to provide the confidence necessary to ratify these agreements, and which will enable us to plan the subsequent steps which we must take in all areas of arms control. For verification is not just a question of technical capacity but of the political will to reach agreement on the application of technologies and techniques.

In this spirit and in cooperation with others, Canada will continue to work vigorously towards real progress on verification.

A further critical task facing the UN is to buttress the international trade and payments system, now under great strain, and to stimulate the growth so desperately needed in much of the developing world.

We are making some progress. Canada is encouraged by movement forward on the elaboration of the Baker Plan, and by the agreement of Economic Summit countries, at Tokyo, to co-ordinate their economic policies more effectively. We particularly welcomed the unanimity of the agreement in GATT to launch a new round -- the Uruguay Round -- of multilateral trade negotiations. These are all welcome signs of a growing recognition that we must work together in pursuit of a sound and fair international economic system.



Mr. President,

A raison d'être of this organization is to create a more humane world. The most fundamental human rights embodied in the Charter and UN human rights documents are being systematically and grossly violated in a number of member countries. The reports of Amnesty International are an indictment of our age. In Afghanistan a whole people has been tyrannized and millions of its citizens made refugees. Around the world and every day people are being tortured and killed for their political and religious beliefs.

One of the most distressing trends of the past year has been the deterioration of the situation in South Africa. The government of the country has stubbornly refused to dismantle the abhorrent regime of apartheid and to adopt a system that respects human rights for all its people. It has instead imposed a draconian state of emergency. We have seen hundreds of deaths and more than 10,000 detainees.

The South African government's repressive policies can have no other outcome but more violence and, in the end, a cataclysm in which all South Africans - white and non-white - will suffer grievously. That would be tragic for a country so blessed in human and material resources.

Canada has worked to intensify the international community's pressure against apartheid and has helped mobilize the special capacities of the Commonwealth to try to stop the destruction of Southern Africa. Canada is implementing all the sanctions agreed to by six Commonwealth leaders in London last month. But pressure will only be fully effective if the international community stands as one, and I urge all countries, especially those with significant economic relations with South Africa, to implement further concrete measures on an urgent basis.

International terrorism threatens us all and we must all act together to fight it. The United Nations, functioning as it always should, expressed this purpose and met this need over the past year. All member states agree on the threat that international terrorism poses. At the last session, the Security Council unanimously and unequivocally condemned all acts of hostage-taking and abduction. At the same session, the General Assembly spoke with one voice condemning all acts, methods and practices of terrorism. This was the UN at its best.

These words must, of course, be matched by specific and practical actions. Canada has undertaken an initiative in the International Civil Aviation Organization to support the structure of international law against terrorism. We are proposing that an agreement be drawn up that would commit all parties to prosecute or extradite those who commit acts of violence at international airports. I am confident of the full support of the international community for this initiative. I am equally optimistic that the common will of the United Nations, as expressed through such practical steps, will be decisive in our common struggle against this scourge of our times.

Mr. President,

I have touched upon only a few of the issues with which the UN will have to grapple in this and future sessions. As difficult as these are, I remain confident that this institution can serve our common needs and serve them well. We have only to give it the means and the direction. Canadians, for their part, wish to have a strong UN capable of dealing pragmatically and effectively with global issues. In this session the Canadian delegation will be seeking every opportunity to join with like-minded states in realizing that goal. If I have dwelt on the need for reform, it is because I am convinced that it is still within our grasp.

I can think of no better way to conclude, Mr. President, than by recalling the words of my distinguished Canadian predecessor, Lester Pearson. At the eighteenth session in 1963 he said, "... the United Nations alone serves us all. It provides the only world assembly to protect and advance human rights, freedoms, and welfare, to reduce and remove the causes of conflict. Whether it can discharge its great role and fulfill its great responsibilities, depends on us. When the United Nations fails, its member governments fail. When it succeeds, the people, the plain and good people of all the world, succeed."

Thank you, Mr. President.



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# STATEMENTS AND SPEECHES

Statement by Mr. Douglas Roche,  
Ambassador for Disarmament  
to the First Committee  
at the 41st General Assembly  
of the United Nations



Canada

NEW YORK, UNITED STATES  
October 16, 1986





Last weekend the United States and the Soviet Union brought an historic disarmament agreement tantalizingly close to achievement. Since then, both superpowers have informed the world that they will persist in this effort and build on the progress achieved at Reykjavik. The negotiators have already resumed their meetings in Geneva.

These are the highly significant developments that have produced a renewed atmosphere of hope as the First Committee begins its deliberations. For, as Prime Minister Brian Mulroney told the Canadian Parliament, the elements are in place for an ongoing civilized dialogue at Geneva and, hopefully, one which will result in General Secretary Gorbachev coming to the United States as agreed upon. The Prime Minister added:

"There are stumbling blocks on both sides. That is what negotiations are all about, sitting down with open minds, knowing the objections on both sides and trying to effect an honorable compromise."

The Canadian government hopes that people of goodwill will achieve a substantive accord, which could be signed at an early summit. Arms control, however, is a fragile process. Its environment must be protected. It is therefore doubly important that all actions be resisted which might be seen as weakening or unravelling the existing international framework on which East-West relations and arms control are built. Compliance with existing agreements is essential.

It is a reality of our time that the USA and the USSR will determine the major aspects of any international framework for global security. But security is everyone's business.--All of us have a stake in international security and all of us have a responsibility to play a constructive role in the arms control process.

Canada will press on with constructive work in every multilateral forum that, one day, must achieve the basis for a world community freed from the weapons of mass destruction.

Iceland showed that the complete elimination of ballistic missiles in 10 years is now seriously discussed at the highest levels. The full implementation of this historic opportunity is our task. Iceland was a moment on the journey, but the journey goes on.

When President Reagan addressed the General Assembly before the Reykjavik meeting, he spoke of hope, of a future without weapons of mass destruction. He reaffirmed his country's commitment to peace, to a more stable superpower relationship, and to substantial progress on arms control and disarmament. The President expressed his Government's willingness to ratify the Threshold Test Ban Treaty and the Treaty on Peaceful Nuclear Explosions once agreement is reached on improved verification procedures. He offered to consider other limits on nuclear testing in parallel with arms reductions. It is our hope that the Soviet Union might find it possible to build on this realistic and welcome approach as a firm foundation for real progress.

When Foreign Minister Shevardnadze came to New York earlier in this Session, he too, gave us reason for optimism. He spoke of relations with the United States as holding promise -- of encouraging outlines of meaningful agreements between his country and The United States of America. When we later welcomed him in Ottawa, Mr. Shevardnadze once again repeated his country's commitment to more stable East-West ties, and to progress on arms control.

But in this atmosphere of expectation, two notes of caution are in order: first, any sense of new momentum can only lead to lasting, effective results if it is backed up by patience, quiet negotiation, and due attention to adequate verification, which over the long term will assure confidence in compliance.

And second, our hopes and expectations surrounding the superpower talks and the bilateral nuclear and space negotiations in Geneva as important as they are, should not be allowed to distract attention from the necessity for complementary progress in conventional and multilateral arms control forums.

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In this context, we are all much encouraged by the successful conclusion of the Stockholm Conference on Security

and Confidence-Building Measures in Europe. The results of this Conference bring new openness and predictability to the conduct of military affairs in Europe. The establishment of agreed procedures for air and ground on-site inspections is a landmark achievement, -- one which will provide an effective basis for other arms control negotiations.

More broadly still, the United Nations Disarmament Commission has had a relatively productive session. The guidelines for confidence-building measures which the UNDC will report to the General Assembly, like the Stockholm Conference Document, should provide a useful basis for future negotiators. They could be drawn on to ensure those elements of confidence, compliance and verification which will be essential components of all effective arms control agreements.

The Conference on Disarmament in Geneva has also had a more productive session: if it has still not reached agreement on a Global Chemical Weapons ban, detailed negotiations are intensifying and there have been welcome signs that the Soviet Union is prepared to move forward on verification. We have particularly noted the proposal of the United Kingdom on challenge inspection, which we hope will provide a basis for practical progress on one of the most difficult issues associated with a Global Chemical Weapons ban.

But the sense of positive accomplishment does not extend to other issues on the Conference on Disarmament agenda. We are frankly disappointed that progress on a comprehensive nuclear test ban has been so slow. We were particularly discouraged at the failure to agree on a practical mandate for a subsidiary body to work constructively towards an agreed test ban. We note and welcome that the Soviet Union has taken a more forthcoming approach on technical matters relating to the establishment of a global seismic monitoring network. The Australian proposal for an International Seismic Network is both consistent with Canada's concern for a reliably verifiable test ban, and an encouraging step towards the objective of a comprehensive test ban. Expert-level talks between Soviet and US scientists on nuclear testing are a welcome development -- one which all of us hope can provide yet another step towards our common goal.

The prevention of an arms race in outer space is a high priority for Canada. It was thus disappointing that the mandate for the subsidiary body on outer space was agreed so late in the last CD session. Once the mandate was agreed, discussion was both sober and thoughtful. The existing mandate is clearly demonstrating its usefulness.



Canada played an active part in the Second Review Conference of the Parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons . We are heartened by the Conference Final Declaration -- by its strong reaffirmation of the principles of the Convention and its restatement of the common interest all share in strengthening the Convention's authority and effectiveness through promoting confidence and co-operation.

This activity shows that the world community is not indifferent or impotent in building a safer world. There is still much to do in the international arena and Canada, pledges, once again, to do everything in our power to strengthen the international machinery of peace. This world-wide activity must reinforce the efforts of the superpowers to find bilateral agreements. Although 86 per cent of the people of the world do not live in the United States or the Soviet Union, we are all caught up in the fall-out from this relationship of the two great superpowers who together possess 95 per cent of the more than 50,000 nuclear weapons in the world. Their relationship, as is obvious, affects everyone. It is in the interests of everyone to help improve the entire East-West relationship and, as the U.N. Secretary General, Javier Perez de Cuellar, said in his acceptance speech last Friday, to "demand of the Governments of States which possess nuclear weapons that they reflect upon their responsibility to their peoples and to the planet itself and pursue policies that will lead to the elimination of these weapons." It used to be said that history will be the judge of one's actions. But, in what we are discussing here, there will be no history to write in a non-future for human life if the means to destroy the human race, now in the possession of the two superpowers, should ever be unleashed.

The role of the United Nations in disarmament is to construct a viable framework of multilateral progress so as to enhance the prospect of major bilateral agreements. More attention should be paid in this Committee to consensus resolutions with as much substance as possible, rather than merely increasing the number of resolutions. At the 1976 session, there were 23 resolutions, eight of them consensus. Ten years later, in 1985, there were 66 resolutions, 20 by consensus. The growth of non-consensus resolutions, many of which cancel one another and split apart the Committee, is a dubious achievement and a complete puzzlement to the outside world. Let us not forget that the Final Document of the First

Special Session on Disarmament, which remains the yardstick by which we measure progress, was a consensus agreement. Important advice has been offered by last year's Chairman, Ambassador Alatas of Indonesia, to form a small working group to attempt rationalization of the Committee's work.

What is needed to reinvigorate the concept of collective security, including arms control, is not a new structure or set of principles: we have a perfectly adequate framework for peace already in place in the form of the UN and its Charter. What needs to be done is to use it effectively.

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It is a source of pride to Canada that one of last year's resolutions adopted by consensus was the substantive Canadian resolution, "Verification in All Its Aspects," which highlights the importance of verification as a key element in the arms control negotiating process. Underlying every arms control issue is the question of confidence -- of assurance of compliance, and thus of verification. We in Canada are certain that verification cannot be left aside as a subsidiary element of arms control. To the contrary, though the concept of verification must never be seen as an obstacle to be thrown up against serious arms control negotiation, it must be an integral and essential part of all arms control agreements.

Canada intends to take the lead again this year in putting forward a similar resolution. Our aim will be to reaffirm the importance of effective arrangements for verification; arrangements based on sound technical competence and principles, and which can be carefully tailored to fit specific agreements. Canada wants the General Assembly to have the Disarmament Commission consider verification at the earliest possible opportunity. We hope as last year that all member states will join in supporting this important undertaking.

A year ago the Canadian Government developed a Programme of Action for the remaining half of the Second Disarmament Decade. This programme continues to focus on practical solutions to arms control problems -- on laying an essential ground-work for the creation of confidence and trust vital to arms control agreements.

As part of this Programme of Action, the Canadian Government continues to provide some one million Canadian

dollars a year to the Verification Research Unit in our Department of External Affairs. This unit has continued its work on key issues relating to a limitation of nuclear testing leading to a comprehensive test ban, a global chemical weapons convention, and the prevention of an arms race in outer space. To assist in laying the foundations for a CTB, the Canadian Government is upgrading its seismic array in our own Northern territory. We have just hosted a successful, technical workshop in Ottawa at which 16 countries (including the United States and the Soviet Union) were represented. Our commitment to the International Seismic Data Exchange remains firm. Verification has now become an international concern and Canada welcomes the statement issued by the six nations of the Five-Continent Peace Initiative at their recent summit meeting in Mexico that they seek cooperation with non-nuclear states "in international verification arrangements related to future nuclear disarmament." We in Canada are certain that, in putting our efforts into a Programme of Action which concentrates on practical solutions and co-operating with other nations, we are on the right track.

Canada's commitment to verifiable and balanced arms control and disarmament remains absolutely firm. The Canadian Prime Minister has set out six policy areas:

- negotiated radical reductions in nuclear forces and the enhancement of strategic stability;
- maintenance and strengthening of the nuclear non-proliferation regime;
- support for a Comprehensive Test Ban Treaty as a fundamental and abiding objective of Canadian Foreign Policy;
- negotiation of a Chemical Weapons ban;
- prevention of an arms race in outer space;
- confidence-building measures to facilitate the reduction of military forces in Europe and elsewhere.

Again at this United Nations session -- and in the Conference on Disarmament -- Canada will be looking for early progress in these areas of crucial concern to all of us. Among these, perhaps the closest to realization is a Global Chemical



Weapons ban. This is a vital issue, one where constructive proposals have been made, and where there should be no insurmountable obstacle to early agreement. We will continue to participate in the search for effective means of ensuring that outer space is used only for peaceful purposes. Canada actively continues to seek a comprehensive nuclear test ban as a fundamental arms control objective. The Secretary of State for External Affairs told the General Assembly September 24 that a nuclear test ban is an objective toward which concrete steps can and should be taken now. We believe that what is needed for effective results is to begin work immediately, working step by step, without preconditions toward a lasting, mutually acceptable and verifiable CTB. Progress toward the limiting and ending of all testing is essential.

High on Canada's list of priorities is the need to strengthen still further the nuclear non-proliferation regime: to guard against the spread of nuclear weapons technology -- and to limit in every way possible the chance of accidental nuclear weapons disaster. Encouraged as we were by the reaffirmation of the Non-Proliferation Treaty at the 1985 review conference, we are conscious of the need for nuclear weapon states to implement Article VI on the cessation of the arms race.

In the long and complex struggle for peace, two issues, above all others, stand out: disarmament and development. While it is true that these two great goals require a peaceful atmosphere for their achievement, progress must be made in each to establish the conditions for peace. That is why the forthcoming United Nations International Conference on the Relationship Between Disarmament and Development is so important. The participating nations in the preparatory process have already agreed that disarmament and development, which are distinct processes in themselves, should be vigorously pursued because they both strengthen peace and security and promote prosperity. An international "Panel of Eminent Personalities" have advised the conference that the current levels and trends in global military expenditures "stand in sombre contrast to the state of the world economy." Canada is heartened by the substantive progress made at the Third Preparatory Meeting last June and believes the main conference should be held in July of 1987 in New York.

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Mr. Chairman, on my travels across Canada this year, I have found a high interest in, and concern for, disarmament. I also found an unprecedented response to the Declaration of the International Year of Peace. Canada's International Year of Peace programme has been substantive. Two weeks ago, as all around the world, we marked the International Day of Peace; bells rang in communities from coast to coast in Canada in an eloquent peal for peace. And under the bells of the Peace Tower in Ottawa, people gathered to mark the International Day of Peace. A commemorative postage stamp and a fine gold coin were issued as part of the Government's International Year of Peace programme to commemorate what should be a milestone in man's search for peace and security. Two days later under the same Peace Tower, I accepted the peace torch from the athletes participating in the First Earth Run, which is sponsored by UNICEF. And in an act of moving symbolism, I handed it on, much in the way that what we have done this year will be handed on into the future. The IYP thus will be an inspiration to people and Governments everywhere to make their own contribution to peace.

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I have spoken in these remarks of new hope and commitment. I have talked of a new sense of expectation surrounding the superpower relationship, an expectation only heightened by the meeting at Reykjavik. If as we earnestly desire, this leads to substantive agreement on crucial nuclear questions, we must see the success as an impulse to greater effort and concrete results in multilateral arms control issues. And even if agreement on nuclear weapons reductions continues to elude the superpowers -- all the more will it be important to press on. Wherever and whenever we can, in the UN First Committee, the Conference on Disarmament, the United Nations Disarmament Commission -- we must redouble our effort toward agreement on those important arms control issues where all of us can realistically expect to play an immediate and direct role. The portents are more encouraging now than they have been for many years. Results won't come without effort, and the stakes are high. But the task -- the reward for success and the penalty of failure -- are for everyone. Canada for one will continue to work in every way possible toward our common goal of a world of confidence, security, trust and peace.

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# STATEMENTS AND SPEECHES



Statement in the House of  
Commons by the Secretary of  
State for External Affairs, the  
Right Honourable Joe Clark, on  
USA-Soviet arms control talks

Canada

OTTAWA, ONTARIO

October 21, 1986



Over our Thanksgiving weekend, the eyes of the world were focused on Reykjavik. There, the leaders of the United States and the Soviet Union met to reinvigorate the summit process begun last year in Geneva and to narrow some of the many differences which divide them. Their goal was to give the process impetus, and they succeeded.

Arms control and security are the central international issues of our time and the manner of their resolution will shape the global outlook for decades to come.

It is still too early to provide a final assessment of this latest meeting. The task now in Washington and in Moscow is to ensure that the progress which appears to have been made is not wasted. All governments share in this responsibility and we in Canada must do our part.

Today, as a contribution to our own discussion and debate within this House, and in the country at large, I would like to make some brief observations about the nature of the Reykjavik meeting in the broad context of East-West relations.

First, it would be well to remember that Reykjavik was but one staging point in the difficult and unending process of managing the relations between East and West. During the meeting, both sides moved more than anyone had thought possible. Immediately after the meeting, both sides reflected their disappointment that the breakthrough that was so close did not occur. Now reflecting on that progress, both sides agree that the proposals made in Iceland are still on the table and in negotiation.

This process of building East-West relations has been proceeding with renewed intensity since January 1985. Reykjavik was designed not to conclude new agreements but to lay the ground for them. Whether history will judge it a success depends entirely on the use that is made of the progress in Iceland.

The most notable aspect of the Reykjavik meeting is the extent to which the sides were able to reach understandings on the whole range of nuclear weapons and testing. They agreed provisionally to reduce by 50% within five years the main components of their strategic nuclear arsenals - land-based missiles, submarine-launched ballistic missiles and strategic bombers. At one point in their discussion, they also agreed to eliminate ballistic missiles completely in 10 years.

On intermediate-range nuclear weapons, there was similar provisional agreement on their complete elimination from Europe within 5 years, with the USSR and USA each retaining only 100 warheads in Soviet Asia and the continental USA respectively. The USA and Soviet Union also agreed on the need to negotiate reductions in short-range nuclear arsenals.



There was mutual acceptance of a step-by-step process for reducing nuclear tests, leading eventually to a complete cessation of tests once nuclear weapons had been abolished. There was a broad convergence of view on the verification procedures to be applied to the various measures.

The fact that such detailed discussions occurred and resulted in such wide-ranging tentative agreement attests to the seriousness and dedication with which the two sides have been approaching their task. The main significance lies in the demonstration that major, negotiated reductions in nuclear arsenals need not be an impossible dream.

At Reykjavik three lessons were reinforced. The first two are: both sides are serious; and arms control is possible. But the third lesson is that arms control will not come easily. It is a deliberate and difficult process.

The more sobering element of reality as it has emerged from Reykjavik lies in the fact that the two sides remain far apart in their views on the future role of strategic defences. This is not a question of saying yes or no to SDI but of finding a way of managing the research on defensive weapons in which both sides are engaged.

A key issue between the two governments is whether research is limited to the laboratory under the existing ABM treaty. That is a treaty with two signing parties - the United States and the Soviet Union. Its text does not refer directly to research, although the private negotiating record of either side may mention research. The agreement on what precisely is intended in that treaty is for these two governments who are the parties to the agreement to work out.

It is important to note that this is a different issue from the debate we have seen in recent months over what is allowed by agreed statement "D" of the ABM treaty referring to ABM systems based on other physical principles. Our interest is to ensure strict adherence to that treaty, and continued respect by both sides for the integrity of this fundamental arms control agreement.

The situation today in no way represents a step backward from the situation as it existed prior to the Reykjavik meeting. Technological, political and legal uncertainties and disagreements have always characterized the debate on strategic defence. Even in this area, however, there has in our judgement been some movement toward better mutual understanding, in that the legitimacy of research related to strategic defence is now accepted by both sides. In a treaty that refers explicitly only to "development, testing and deployment", the issue has become, in effect, what are the limits on permissible research.

Mr. Speaker, we ought not to allow ourselves to focus exclusively on nuclear and strategic arms questions as if they constituted the totality of East-West relations. True, these issues have inescapably become the central element of this relationship, but they should not be seen in isolation from the broader context. There are other areas of arms control, most notably in relation to chemical weapons, where there is ground for cautious optimism. Further, we understand that on human rights questions and on a range of bilateral matters, progress continues to be made. Mr. Speaker, I should add that I was encouraged by my own talks on Human Rights with Soviet Foreign Minister Shevardnadze, when he visited Ottawa. Our discussion was frank and more open than I believe has been the case before. Canada believes Progress here and on regional issues is essential to enable us to establish trust in each others intentions. This process of building trust is far from finished.

Peace and security require patience and persistence. Emotional swings between exaggerated expectations and gloomy foreboding do not facilitate the necessarily careful and painstaking way in which difficult policy choices must be tackled.

As both the Prime Minister and I have made clear, the USA and USSR have made remarkable progress on the central arms control and disarmament issues over the past months. They are still seriously engaged in the task of seeking compromise on remaining areas of disagreement.

We are encouraged by the public undertakings of both the President and the General Secretary to build on the progress which was achieved at Reykjavik. The resumption last Wednesday in Geneva of the Nuclear and Space Negotiations can only be regarded as more good news.

The superpowers have succeeded in bringing a major arms control agreement tantalizingly close.

We can't stop here. We must move ahead. Arms control is a fragile process. Its environment must be protected. It is therefore doubly important that all actions be resisted which might be seen as weakening or unravelling the existing international framework on which East-West relations and arms control are built.

Much attention has been focused on SDI and the ABM treaty. The Geneva negotiations will need to resolve the differences that continue to exist here. Progress in other areas should not be held hostage to the resolution of these difficulties. Our European allies are especially concerned with Intermediate Nuclear Forces. Canada would like to see an agreement in this area as well as in the area of strategic weapons, which threaten us directly.

Canada believes firmly in the value of the confidential negotiating forum. It is, in the end, irreplaceable. But it can be aided through techniques such as special envoys and, as we have just seen, by Summits. We would urge both superpowers to continue to use all these techniques, and not rely on negotiating in public.

If a Summit in Washington this fall is now unlikely, setting a date for early next year could help maintain the impetus of the process.

Canada is involved in East-West relations as a member of the NATO Alliance. That Alliance is the foundation of our security. What happens at the negotiating table between the USSR and the USA has a direct bearing on our own security. We are at the same time a nation dedicated to peace. Canadians have always worked for peace and international understanding. We have not, and will not hesitate to make our views known: publicly when that is appropriate, privately on a permanent basis.

But Canada's role is not simply to give advice. Many of the persisting obstacles to negotiating progress arise directly from a lack of trust. The priority attention Canada has given to verification issues in particular attacks this question directly. Arms Control agreements alone do not produce security; confidence in compliance produces security. Verification justifies that confidence. Such an approach enhances the credibility of our counsel.

Canada's participation as a Western country in the process of building East-West relations will continue. The visit to Canada in the last month of Soviet Foreign Minister Shevardnadze and the Czechoslovak Prime Minister were part of this process. And early next month I will travel to Vienna for the opening of the CSCE Follow-Up meeting which deals with East-West relations from the human rights, security, economic and human contact dimensions. It provides us with another opportunity to move the process ahead in an integrated comprehensive manner.

Our hopes for real progress in East-West relations were strengthened by the developments at Reykjavik. Canada has been in touch with both sides, before and since the meeting in Iceland. We will continue to use all our resources to help the United States and the Soviet Union build on what they began.

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# STATEMENTS AND SPEECHES

Statement to the United Nations  
Pledging Conference  
for the World Disarmament Campaign,  
Delivered by Mr. Douglas Roche,  
Ambassador for Disarmament



Canada

NEW YORK, UNITED STATES

October 28, 1986





When the World Disarmament Campaign was launched in June, 1982, Canada immediately saw the benefit of a world-wide program committed to informing, educating, and generating public understanding and support for the objectives of the United Nations in the field of arms limitation and disarmament. From our own national experience, we in Canada have learned the essential lesson of the peace dialogue: no one is exempt from this important discussion, and the more educated the global community is about the multi-faceted dimensions of peace, the closer we are to the goal of mutual understanding and co-operation. In this regard, our task in the field of arms control and disarmament has been aided by the efforts of the World Disarmament Campaign.

The Canadian Government supports the education and information goals of the Campaign and to this end, during its first three years, we donated \$300,000. This amount has turned out to be more than 20 per cent of the total convertible pledges received by the Campaign. Canada remains committed to informed public opinion and a better understanding of the work of the United Nations in the field of arms control and disarmament.

This year, I am pleased to announce that Canada will contribute another \$50,000 to the objectives of the World Disarmament Campaign, through our continuing support of the following activities:

- \$25,000 to the United Nations Institute for Disarmament Research (UNIDIR) in support of its research in the field of verification, an area which is of particular interest to Canada and in which we have made some noteworthy contributions;
- \$25,000 in support of information activities by the United Nations Department for Disarmament Affairs. In particular, we would wish that this amount be used towards all aspects of the production and distribution of the UN Disarmament Yearbook, thereby reducing its price per copy and making it more accessible to publics all over the world.

We in Canada believe that the Campaign should not be looked upon as a short-term project; world opinion on arms control and disarmament can be changed only through a continuing process of working towards international peace and security. Thus, we want to encourage other Member States to contribute to the Campaign, thereby extending its activities. As one of the larger donors, we can say with some confidence that our investment has been worthwhile; the list of publications and information activities cited in the Report of the Secretary-General on the World Disarmament Campaign (document A/41/554) attests to the UN's commitment to discuss international peace and security "on a universal basis, in a balanced, factual, and objective manner."

Canada has noted the complete presentation in the 1986 Campaign report, particularly in the last section detailing the breakdown of pledges and expenditures. We support the continuation of such detailed reporting and hope those Members who are deciding on the merits of a pledge will refer to this report as a basis for participation in the Campaign.

Among the projects undertaken by the World Disarmament Campaign are the helpful publications put out by the Department for Disarmament Affairs. We have found the UN Disarmament Yearbook, the Factsheets, and Disarmament - A Periodic Review by the UN to be particularly useful publications and we encourage continued funding which would allow for the publication of more issues per year.

We would also like to make particular reference to the successful Regional Conference held last spring in Tbilisi, Georgian SSR. Canada attended this meeting and would like to commend the Department for Disarmament Affairs and the Government of the USSR for the organization of this event. We hope such conferences will continue and we support the initiative of the Chinese government in offering to host the next meeting.

As a country deeply concerned about international peace and security, Canada also helps to develop informed public opinion on arms control and disarmament issues in our own country through the establishment of the Disarmament Fund, which has provided nearly \$2 million over the last three years to non-governmental organizations, researchers, and private individuals undertaking balanced research and discussion in the field of international peace and security. Last fiscal year, over \$570,000 was granted to more than 35 groups and individuals involved in organizing conferences or seminars, research, and in publishing information material.

Among the main meetings assisted by the Disarmament Fund is the Consultative Group--consisting of representatives from non-governmental organizations, members of peace associations, academics, and private individuals--which meets periodically with officials of the Department of External Affairs and other interested Departments to exchange views on Canada's policies on arms control and disarmament. This year, the Fund also sponsored several members of the Consultative Group to come to New York during the 41st UN General Assembly, thus enabling the Group to extend its knowledge of the complicated multilateral field of arms control and disarmament.

The Canadian Government also funds the Canadian Institute of International Peace and Security, an independent institute devoted to Canadian research and public information. This year, the grant is more than \$3 million, increasing to \$5 million annually by 1988. Another organization which receives funding (a standing grant of \$100,000 per annum) is the Canadian Centre for Arms Control and Disarmament, a privately-run research centre based in Ottawa.

In 1986, Canada gave special attention to the International Year of Peace. From the Disarmament Fund, we contributed \$10,000 to the Voluntary Fund of the IYP. We commemorated International Peace Day on September 16 through a ceremony under the bells of the Peace Tower in Ottawa; as well, the Government of Canada issued a stamp and a gold coin. Throughout the year, there have been numerous conferences and seminars addressing the multidimensional nature of peace --incorporating the traditional issues of arms control and disarmament with the protection of the global environment, the ongoing efforts in social and economic development, and the urgent affirmation of universal justice.

In brief, Canada supports a dialogue which will move us closer to common security. Thus, we laud and support the important efforts of the UN in promoting global communication on an issue which touches every single human being.





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# STATEMENTS AND SPEECHES



Remarks by Mr. Jean-Guy Hudon,  
Parliamentary Secretary  
to the Secretary of State  
for External Affairs,  
to Representatives  
of the Great Peace Journey

Canada

OTTAWA, CANADA

October 28, 1986



### The Great Peace Journey

A delegation representing the Great Peace Journey visited Ottawa on October 28, 1986. Initiated by Mrs. Inga Thorsson, former Swedish Ambassador for Disarmament, the group is undertaking a tour of world capitals to solicit responses to five questions which address a number of issues in the areas of defence and disarmament.

Stage one of the Journey, consisting of visits to European capitals, has been completed. Stage two, including a visit to North America, is currently underway. During Stage three the group will visit the USA and USSR.

While visiting Ottawa, the Great Peace Journey met with Mr. Jean-Guy Hudon, the Parliamentary Secretary for External Affairs, and senior officials from the Department.





Remarks by Parliamentary Secretary of External Affairs to  
the Great Peace Journey.

Introduction

It is with great pleasure that I welcome the representatives of the Great Peace Journey to Ottawa. I have heard with interest of the Journey's travels to other capitals in search of common ground among nations upon which to build a peaceful and secure future. I have also learned of the considerable efforts of the Canadian organizers in developing a useful programme for our guests. It is indeed this sort of grassroots support which has made the global movement for peace such a powerful force in the international arena.

The Canadian Government has examined carefully the questions you have posed. In order to convey an accurate portrayal of Canadian policy on these important subjects, we have found it necessary to expand our responses beyond the simple "yes" or "no" answers which you requested. The Secretary of State for External Affairs, the Right Honourable Joe Clark, shares the view that in order to achieve real understanding on such crucial and extremely complex issues, "yes" or "no" answers are not appropriate in that they may create a false impression of our position.

At the same time, I want to underline that my statements and responses to your questions do not constitute a complete or comprehensive statement of Canadian policy on arms control and disarmament. Your questions do, however, provide a basis for discussion of at least some aspects of Canadian policy.

I should point out that arms control and disarmament is one of the elements that make up our security policy. The others are defence and deterrence, and peacekeeping and the peaceful resolution of disputes. You might also find it useful to know that in October 1985 the Prime Minister listed six priority Canadian objectives in the area of arms control and disarmament. These are:

- negotiated radical reductions in nuclear forces and the enhancement of strategic stability;
- maintenance and strengthening of the nuclear non-proliferation regime;
- negotiation of a global chemical weapons ban;
- support for a comprehensive test ban treaty;
- prevention of an arms race in outer space; and
- the building of confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

With this background, let us turn to your questions.

Question 1: A) Are you willing to work for national legislation which guarantees that your country's defence forces, including "military advisors", do not leave your territory for military purposes (other than in United Nations peacekeeping forces)?

B) - if all other members of the United Nations undertake to do the same?

Answer: A) As a nation with a small population, a vast land mass and an extensive coastline, Canada historically has depended for its security on defensive alliances with friendly and like-minded countries. In our view, such alliances contribute to the maintenance of international stability in a manner fully consistent with Article 51 of the Charter of the United Nations. The existence and cohesiveness of NATO, for example, has been indispensable in the deterrence of a global war in the past 40 years. Enacting legislation to forbid sending military forces abroad would violate our commitment to NATO and would, in effect, preclude the formation of defensive alliances. We do not believe that stability and international security will be enhanced by a situation in which smaller countries would be vulnerable individually to coercion from stronger states.

B) The Canadian position would be that should all members of the UN, including Canada's NATO allies and members of the Warsaw Pact, make demonstrable and verifiable commitments to undertake such actions, Canada would do the same.

Question 2: A) Are you willing to take steps to ensure that the development, possession, storage and employment of mass-destruction weapons including nuclear weapons, which threaten to destroy the very conditions necessary for life on this earth, are forbidden in your country?

B) - if all other members of the United Nations undertake to do the same?

Answer: A) You should be aware first of all that Canada does not possess nuclear weapons, nor are such weapons stationed on Canadian territory. However, Canada participates fully in NATO, a defence alliance which deploys a nuclear deterrent. Canada has contributed to the modernization of the NATO deterrent, in the face of a continuous Soviet modernization of its strategic nuclear forces, by agreeing to the testing in Canada of unarmed U.S. air-launched cruise missiles (ALCMs). The Government decided to allow the United States to test the guidance system of ALCMs in Canada because it was concerned that this particular missile was an important element in the modernization of the Western deterrent which had become increasingly obsolescent due to improvements in Soviet offensive and defensive nuclear systems.

B) The Canadian position would be that should all members of the UN, including Canada's NATO allies and members of the Warsaw Pact, make demonstrable and verifiable commitments to undertake such actions, Canada would do the same.

Question 3: A) Are you willing to take steps to prevent your country from allowing the supply of military equipment and weapons technology to other countries?

B) - if all other members of the United Nations undertake to do the same?

Answer: A) Most smaller countries do not maintain comprehensive and extensive defence industrial capabilities capable of providing the full range of equipment essential to meet their legitimate defence needs. Canada, for one, must procure many items of military equipment overseas in order to maintain a modern and adequate defence capability. A complete ban on the sale of defence equipment and technology would hinder the ability of smaller countries to maintain effective security capabilities. Furthermore, it could well encourage many countries to devote a disproportionate



amount of their wealth to maintaining economically non-viable defence industries in order to assure themselves of a supply of essential defence equipment.

Canada produces military equipment in order to meet our defence needs and our obligations under NATO and NORAD. Few companies produce defence equipment exclusively and few products of the Canadian defence sector are classed as offensive military equipment. Exports to the USA and Europe are necessary to reduce overall cost and to keep our industry innovative and competitive.

Canada closely controls the export of military goods and technology to:

1. countries which pose a threat to Canada and its allies;
2. countries involved in or under imminent threat of hostilities; and
3. countries under United Nations Security Council sanctions; or
4. countries whose governments have a persistent record of serious violations of the human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population.

By the limitations which it places on certain destinations for exports of Canadian origin military goods, this policy supports the Government's commitment to arms control and disarmament. Through the priority accorded to meeting our requirements for national security and our alliance obligations for collective defence, this policy contributes to the balance of strategic deterrence, which is a cornerstone of arms control in an East/West context.

B) The Canadian position would be that should all members of the UN, including Canada's NATO allies and members of the Warsaw Pact, make demonstrable and verifiable commitments to undertake such actions. Canada would do the same.

Question 4: Are you willing to work for a distribution of the earth's resources so that the fundamental necessities of human life, such as clean water, food, elementary health care and schooling, are available to all people throughout the world?

Answer: Canada is committed to promoting development and growth in the world economy so that the basic human needs of all people can be met. Our aid program is focussed primarily on the poorest countries and peoples. Close to 80% of our bilateral assistance goes to low income countries. Canada has accepted the United Nations target of 0.15% of GDP for the least developed countries and 1985 disbursements were close to this figure. Our bilateral aid program concentrates on three sectors: agriculture, human resource development and energy. Canada is also committed to placing a high priority on the vital role of women in development, as they are the key agents of development in areas such as health care, nutrition, food supply and education. Canada's ODA volume is 0.5% of GNP and will total more than \$2.2 billion this year.

Our trade and economic policies are important as well to the growth prospects of the Third World. Canada actively participates in discussions in international economic forums in an effort to promote international economic cooperation and to improve the growth prospects of all nations. Canada has been active in its support for the longer-term recovery of developing countries. We have pushed for the strengthening of the roles of the International Monetary Fund and the World Bank, the early consideration of a general capital increase for the World Bank and a substantial replenishment of close to \$12 billion for the International Development Association. Canada believes the new Multilateral Trade Negotiation Round offers an opportunity for greater integration of LDCs into the world trading system.

Question 5: Will you work to ensure that any conflicts, in which your country may be involved in the future, will be settled by peaceful means of the kind specified in Article 33 of the United Nations Charter, and not by the use of threat of force?

Answer: Canada supports fully the Charter of the United Nations and the role of the Security Council in the maintenance of international peace and stability. The peaceful resolution of conflict is one of the primary elements of Canada's security policy. Canada was a pioneer of the concept of peacekeeping and over 70,000 Canadians have served in United Nations peacekeeping operations. In the event of any conflict or dispute with other countries, Canada would make every attempt to achieve a peaceful resolution, and would only resort to the use or threat of force if necessary to defend vital Canadian interests or to meet our commitments to the defence of our allies.



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# STATEMENTS AND SPEECHES



The Situation in Afghanistan  
and its Implications  
for International Peace and Security

Statement by Mr. Stephen Lewis,  
Ambassador and Permanent Representative  
of Canada to the United Nations,  
to the Plenary of the 41st Session  
of the United Nations General Assembly

NEW YORK, UNITED STATES  
November 5, 1986

Canada





Mr. President:

On September 24th last, Mr. Eduard Shevardnadze, Foreign Secretary of the Soviet Union addressed this Assembly. In the course of his remarks, to which all of us listened respectfully, he said - quote - "The time has come to learn to call things by their own names. With regard to Afghanistan, a national democratic revolution has taken place there" - end quote.

He was immediately followed to this podium by Sir Geoffrey Howe, Minister of Foreign Affairs of the United Kingdom speaking on behalf of the European Community. At the point in his remarks when Sir Geoffrey was dealing with the question of Afghanistan, he departed abruptly and spontaneously from his text, fixed his eyes on the seats of the delegates from the Soviet Union and said, quote - "I cannot refrain from observing that... the Foreign Minister of the Soviet Union said that 'The time has come to learn to call things by their proper names'. I cannot refrain from expressing my astonishment and dismay that the facts which I have just described - the events which have taken place in the past six years in Afghanistan - were described by the Soviet Foreign Minister as 'a national, democratic revolution'. If that be their view, then it is not a view that can be shared by the rest of the world" - end quote.

Sir Geoffrey Howe then returned to his text. And I remember sitting in the Canadian delegation and thinking that it was one of those rare, fleeting moments when the issue was joined with simple, irrefutable clarity.

To call what has happened in Afghanistan 'a national democratic revolution' is to take language and subject it to a kind of Orwellian mutation, so that words are rendered meaningless. It is a linguistic mask designed to hide the brute face of oppression.

And we all know it. The United Kingdom knows it, Canada knows it, the vast majority of nations in this chamber know it. But nothing changes.

And that's the suffocating dilemma of this debate Mr. President. What can be said that has not been said before, by all of us, year after year in elaborate and angry repetition? How do we get these speeches to diminish the tragedy? How do we make of this United Nations forum a crucible where progress is real?

Canada last year - and indeed, in the five consecutive years before - put its feelings of concern, frustration and rage unequivocally on the record. We could do so, in similar terms, again. But perhaps there is a way of coming at the subject

slightly differently; perhaps in brief recapitulation, it is possible to achieve a slightly different synthesis.

To begin with, let us be clear and precise in the use of language. Let us not engage in verbal defoliation.

Yesterday, the Soviet Union characterized the events of the last seven years as an "armed intervention" against the sovereign state of Afghanistan. The mere use of that phrase sets the mind reeling. Whose armed intervention? The Afghan people, the Afghan rebels have engaged in no intervention. You cannot take history and stand it on its head; it is an insult to every country in this chamber. When we speak of "armed intervention" we're talking about December, 1979, when the Soviet military juggernaut rolled into Kabul to instal a puppet fiefdom and subdue an entire people.

Yesterday, as well, we were told that mere discussions of Afghanistan constituted a violation of the UN Charter and the rules and principles of international law. I suppose, Mr. President, that that is meant to mean interference in the internal affairs of a member state. It's exactly the kind of argument which South Africa makes. But we don't give it any credence in that case; why should we give it any credence in this case?

We're talking about a premeditated act of military subjugation. How does that harmonize with international law, or with the words in the Charter which instruct member states to - quote - "refrain in their international relations from the threat or use of force against the territorial integrity or independence of any state..." The Charter, when last read by Canada, had no chapter on territorial amalgamation by force of arms.

And yesterday again, to take this question of strangled language but one step further, it was argued that this debate is designed to destroy the fruits which the Revolution has brought to the Afghan people. That, Mr. President, was the very phrase: "The fruits".

Well Canada doesn't know what the Soviet Union has in mind; but for us, as for so many other nations, the fruits of the Revolution mean one million Afghans dead. And we must ask, with anguished desperation, for what crime? By what right? What is the end that justifies such means? What revolutionary fruitfulness transforms an entire country into a killing-field?

I guess, Mr. President, that's what makes such an overwhelming majority of nation-states so frantic about the horror of Afghanistan. The liquidation of the country and its

people knows no end. Every year the situation deteriorates; every year the chronicle grows more grim.

Let me explain.

Last year at this time, we knew of the use of booby-trap bombs, shaped as butterflies, and the terrible mutilation they inflicted, primarily on children. One year later, we have documentary evidence of these devices concealed in pens, cakes of soap, snuff-boxes, match-boxes, even a bundle of bank notes. It is almost inconceivable that in 1986, any invading army, no matter what the circumstances, no matter what the provocation, would use such weapons against innocent children. But it's being done. It suggests a sickness equivalent to depravity.

Last year at this time, we had a report from our Special Rapporteur on Human Rights violations in Afghanistan which was a profoundly distressing document, but still tentative in parts. One year later we have a report which is uniformly appalling. At paragraph 78, the Special Rapporteur concludes that the armed conflict "has given rise to so much human suffering that every effort must be made to end it". And at paragraph 124, as others have pointed out, the Special Rapporteur comes to the opinion that a continuation of the military solution "will lead inevitably to a situation approaching genocide". Mr. President, Canada cannot think of another report on human rights violations in any individual country which raises the spectre of genocide.

Last year at this time we had rumours and impressions of the use of torture. One year later, we have from the UN Special Rapporteur concrete evidence of the torture of women in ways which make the blood run cold.

Last year at this time, I quoted from Red Cross reports to give a sense of how savage was the military conflict. One year later, the little Red Cross hospitals at Peshawar and Quetta, just inside the Pakistan border, have shown themselves consistently packed with the dying, the wounded, the permanently-maimed. Peshawar is only 100 beds; Quetta only 60. Yet, they've been the sites for literally thousands of surgical operations, not to mention servicing some 50 to 70 thousand out-patients.

Last year at this time, we had heard of the practice of transporting young children - including orphans - abroad for what was appropriately-termed ideological education. Now, one year later, we know, categorically, that at least a thousand children a year, probably more, are sent to the Soviet Union for various periods of time. There is every reason to believe that this is frequently done without either the knowledge or



consent of the parents, where parents there are. More than that, the UN Special Rapporteur has established to his satisfaction that much of the education provided in those areas of Afghanistan within the control of Soviet and government forces, rejects traditional religious, cultural and moral values. As such, it is an explicit and dreadful violation of international human rights Covenants.

Last year at this time, all of us had seen and read the extraordinary, if despairing, Helsinki Watch publication entitled "Tears, Blood and Cries": Human Rights in Afghanistan Since The Invasion". One year later, in the interim, we have seen the supplementary volume entitled "To Die In Afghanistan", containing a remarkable number of eye witness accounts all of which attest, unanswerably, to an ugly, inhuman war... a war which has indiscriminately devastated the countryside, decimated the population, and driven thousands more each month out of their own land into Pakistan or Iran. We now know that the day is fast approaching when the numbers of refugees outside Afghanistan, and the numbers of uprooted and dispossessed inside Afghanistan, will total more than 50 percent of the entire population at the time of the invasion. Mr. President, it is beyond human comprehension.

Last year at this time, we knew that Pakistan's borders were intermittently violated by selective acts of infiltration and aggression. One year later, we know that the pattern has escalated dramatically, as documented in the eloquent speech of the Foreign Minister of Pakistan when he yesterday opened this debate. Canada, along with so many others, expresses full solidarity with Pakistan, as well as our enormous admiration for the humanitarian response to millions of refugees and the stoic resistance to intimidation and subversion.

Last year at this time there was no talk of troop withdrawal. One year later, we have witnessed the departure of six Soviet Regiments as announced in the July speech of General Secretary Gorbachev. It matters little whether this is an elaborate military sleight of hand, or an adroit reshuffling of tanks, or the actual removal of men and machines whose presence in Afghanistan may or may not have been useful. What matters is that over 110,000 men, and all of their collective apparatus of war, remain behind for the systematic purpose of pacification. The world needs more than tokens as evidence of good faith.

Finally, Mr. President, last year at this time, the negotiations conducted by Mr. Diego Cordovez, under the aegis of the Secretary-General of the United Nations, had not yet reached the moment of truth: the precise question of troop withdrawal. But in the intervening year, with a magnificent

and gifted tenacity which we honour and support, the United Nations team focussed the parties on the issue. And what happened? Despite the completion of most of the details of the other items of negotiation, the Soviet Union would not give a reasonable time-frame for troop withdrawal.

Mr. President, it took them only 72 hours to get in. It need take no more than a week or two to get out. But if the political will is absent, then the military might remains.

The Afghanistan tragedy is one of othe most difficult and gloomy realities of contemporary international politics. When you look at it, year over year, it presents an unbroken facade of intractability.

In Canada, a joint committee of the House of Commons and Senate, representative of all three political parties, recently issued a report on International Relations. In the section devoted to Afghanistan there appears the following unanimous paragraph - quote

"This wholesale destruction of a people is being carried out by the Soviet Union and its puppet regime in Kabul for no other reason than crude geopolitical ambition. The Soviet Union has dispatched over 100,000 of its troops with the immediate aim of violent repression and the longer-term objective of reducing Afghanistan to a Soviet colony. As has happened so often in the history of colonialism, the imperial power failed to reckon with the national spirit and independence of the people. Despite the terrible slaughter, the Afghan people have not been subjugated. They are continuing to fight."

It is the heroism of that fight Mr. President, which brings us to this resolution and our imminent vote.

There are two tests confronting the General Assembly. One is for the Soviet Union. When the new General Secretary of the Soviet Union came to power, we all wanted to believe, and he wanted all of us to believe that there would be a new face on Soviet foreign policy. Afghanistan scars the countenance.

The Soviet Union would do itself an enormous favour and do the international community an incalculable boon were it to accept the reasonable contents of this resolution, the

precepts of the Charter, the clamour of nation-states, the cries of the people of Afghanistan, and get out of that country.

The second test, however, is for the rest of us. If we can do no more in this arena than to keep the issue alive, to keep the pressure on and to keep the Soviet Union aware of the monumental ignominy of its position until one day that position is changed, then at least let us continue to do it overwhelmingly.

There are few issues in this world which unite virtually all of us. South Africa is one of them; Afghanistan should be another. Even those in nominal ideological alliance with the Soviet Union should on Afghanistan break ranks. It probably will not happen, but it should happen.

We're talking about a relatively small country; a terribly vulnerable country, a country which, given any chance, would return to the solidarity of the non-aligned. It is also a country in agony... in agony for no reason, conceivable or defensible, that has ever been plausibly advanced in this Assembly.

During the course of our intervention last year, I said on behalf of Canada that if we were back again, same time, this year, it is because the Soviet Union continues to believe that nihilism is preferable to negotiation; that butchery is preferable to bargaining.

Harsh words, I concede. But we're back again.

Thank you, Mr. President.

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# STATEMENTS AND SPEECHES



Notes for a speech  
by the Right Honourable Joe Clark,  
Secretary of State for External Affairs,  
at the opening plenaries  
of the Vienna follow-up meeting  
of the Conference on Security  
and Cooperation in Europe

Canada

VIENNA, AUSTRIA

November 5, 1986





Mr. Chairman,

May I first join with my colleagues in expressing gratitude for the hospitality shown to us by the Foreign Minister of Austria and by his Government and people, and for the efficient and tireless work of Dr. Liedermann and his Executive Secretariat. This elegant city, and these beautiful buildings, have over the centuries witnessed many events of vital importance to the history of Europe, as well as countless manifestations of its finest cultural and intellectual achievements. As a representative of a young country, I find so much tangible evidence of history and achievement at once humbling and inspiring. But our presence here today is also an expression of the resilience, the continuity, and the dynamism of Europe.

This brilliant European civilization has, more than any other, provided the ideas and inspiration that have shaped our modern world. Much of Europe's recent achievement derives from its ability to move gradually from blind subservience, whether political or intellectual, toward freedom and tolerance. Many countries that share this tradition, including our own, have developed political systems based on the rule of law, under popular control, responsive to fundamental human needs for freedom, dignity, and social justice, and open to a wide variety of ideas.

Canada is an ocean away from Europe, but bound to you by both tradition and destiny.

In the event of a nuclear exchange, our capital city would be 30 minutes away from destruction by a modern ICBM. Canadian land and lives lie directly below the path of any polar strike between the superpowers. We are the second largest country in the world, with nearly 10 million square kilometers, and all that would be a battle ground if the catastrophe we are seeking to prevent in fact occurred.

Nearly five thousand Canadian troops are stationed permanently in Europe, and their numbers are increasing. Thousands of their predecessors fought in world wars here, and of those, thousands lie buried beneath the stark crosses of soldiers' graves in Flanders and Dieppe, at Klagenfurt and Salerno, and at Vimy Ridge.

We trade with every nation here. We draw upon your culture and your history and your art, and increasingly, enrich yours with our own. As a strong nation in a young continent, our Canadian people come from everywhere, but particularly from Europe. One in seven Canadians has family origins in Eastern Europe - and for those millions of Canadians, questions of human rights, of the right to move freely, of the reunification of families, are intensely personal questions, which affect not statistics, but uncles and aunts and sisters and mothers and brothers and fathers and children.

The human web between Canada and Europe is pervasive. Of my colleagues in the Canadian Cabinet, one was born in Czechoslovakia, one in Germany, another is the grandson of Russian émigrés. Danylo Shumuk, a prisoner until February in Soviet confinement, is awaited by his relatives in the province of British Columbia. Europeans, who left their homelands in hope or flight, have built the solid basis of schools and businesses and communities from our Atlantic to our Pacific, and to our Arctic oceans. Every language spoken in every country represented here is also spoken in Canada. When the earth trembles near Naples, disaster strikes at Chernobyl, a mountain slides in Sicily, or a terrorist bomb explodes anywhere in Europe, Canadians are involved directly, personally. And the issues which divide Europe are our issues - our values, our safety, our families, in both the generic and the particular sense.

It is therefore clear to us that Europe, and the world, can only be a safe place when tensions and conflicts are managed, when the will exists to address fundamental problems and promote practical solutions. Canada has therefore worked for years to establish a significant role in arms control forums. We contributed to the concept of the peacekeeping force, and Canadian troops have served in that capacity in Asia, in Africa, in the Mediterranean and throughout the Middle East. We defend the United Nations. We seek to reduce the causes and restrain the course of regional conflicts. We believe the pursuit of peace cannot be the exclusive preserve of the superpowers. If we are to move to a more cooperative and less confrontational relationship, all of us must do all we can to stimulate dialogue, pursue contacts, and promote cooperation between all countries and at all levels. Without surrendering our deeply held convictions, we must exercise restraint and encourage mutual recognition of each other's legitimate needs and interests.

Mr. Chairman, we are here at an uncertain time in East-West relations. In recent weeks, the superpowers came tantalizingly close to a framework for major reductions in nuclear arsenals, only to be held back by the complexity of the issues facing them. We have seen certain CSCE signatories release some longtime dissidents and political prisoners, only, in some cases, to practice renewed repression against others. It is difficult to tell whether the omens are good or bad, whether we stand on the threshold of dramatic progress or renewed disenchantment.

A curiosity of these times is that we do not lack for leadership. There was leadership, on both sides, at Reykjavik. There was leadership by a wider cast, at Stockholm. What restrains that leadership is the deep legacy of suspicion. What is demanded of us, now more than ever, is the practical construction of confidence and trust.

Confidence-building is the essence of the CSCE process. It is the central theme of all three baskets of the Helsinki Final Act. In the CSCE all but one of the countries of Europe, as well as the two North American countries whose destiny is inextricably linked with that continent, can consider all the important, interrelated issues involved in political confidence-building between East and West. The CSCE has had its frustrations and failures, but despite this, it has performed a vital role in keeping alive a candid dialogue among many countries, including those who are neutral or non-aligned, that might otherwise have been impossible. Canada is wholly committed to the CSCE process. We want to see this Follow-up Meeting achieve substantial progress.

In order to achieve progress, however, we will have to come to grips with a significant problem affecting confidence. Simply put, that problem is that confidence requires compliance. Some countries represented here today have failed signally to implement many of the commitments they undertook at Helsinki and Madrid, and indeed in some cases there has been backsliding since 1975. An important opportunity has thus been lost to strengthen security and cooperation in Europe. Even worse, by failing to implement commitments they made at the highest political level, these countries have contributed not to the building, but to the erosion, of confidence in the CSCE process and, to a great extent, to an erosion of our confidence in their willingness to honour commitments in other areas.



Some participating countries have rewarded with imprisonment, exile, and other forms of punishment, people whose only real crime seems to have been to have believed that we all meant what we said in 1975 when we pledged - and I quote from the Final Act - to respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion, and when we further undertook to "confirm the right of the individual to know and act upon his rights and duties in this field". In some countries, thousands of people remain prevented by national policy or bureaucratic obduracy from having regular contact with members of their families in other countries, regular access to culture and information from outside, or, should they choose to do so, the opportunity to leave their country. And we cannot forget that one participating state has, over the past seven years, violated virtually all of the principles guiding relations between states by its continuing military intervention in Afghanistan.

For Vienna to be a step toward restoring confidence, and not accelerating its decline, we need to receive - and may I say, Mr. Chairman, we hope to receive - positive signs from these countries that, henceforward, the trend lines in observing these and other commitments, shall be steadily and visibly upward; and that real steps will be taken to honour them. For many Canadians, progress at Vienna, and their confidence in the CSCE process, will be primarily measured by the degree to which the contradiction between the actions of these countries, and their professed desire for détente, can be reconciled.

Progress in this area would be significant, and perhaps sufficient for us to regard Vienna as a success. But we would like, if possible, to go further, and to build on enhanced implementation by balanced progress in all areas covered by the Final Act.

We are very satisfied with the successful outcome of the Stockholm Conference. It is an important development in East-West relations and an event of considerable political and military significance for Europe. The agreed set of confidence-building measures represent a substantial improvement over that in the Helsinki Final Act. We are pleased to be able to say that we did our best to participate fully and constructively in facilitating the formation and adoption of the Stockholm Document. Our very ability to reach agreement inspires confidence.

As we approach discussions on further steps, we will watch closely the practical operation of these confidence-building measures. Mr. Chairman, for many years Canada has worked with others to achieve balanced and verifiable arms reductions in order to create a stable balance of conventional forces in Europe, and we hope that further progress can be made. In considering any proposals that might supersede existing arms control discussions, we will want to ensure that they offer greater chances of success, and are not merely old wine in new bottles. Progress in existing forums such as MBFR, especially in the vital area of verification, would build confidence too.

In Basket II, Canada as a trading nation has an interest in the increased commercial and industrial cooperation that might be possible if the measures in the Final Act dealing with statistical and other information, business contacts including access to end users, and liberalization of trade and industrial cooperation, could be implemented and improved upon. In science and technology, more direct contacts among scientists and better access to publications, research, and information, would benefit us all. In problems of the environment, greater openness and cooperation to solve common problems, both local and continent-wide, would build confidence.

The Final Act broke new ground by incorporating, as an integral part of security and cooperation in Europe, the "human dimension" - an idea that runs through the document like a thread. It establishes that people, as well as their governments, have a vital role to play in creating international stability and confidence, and that the freer flow of people, ideas, and information is an indispensable element in all facets of European security and cooperation. Canada took a leading role at Geneva in developing the human contacts sections of Basket III. We were pleased to host the Ottawa Meeting of Experts on Human Rights, which made a real contribution to dialogue on Principle VII and related issues.

We are therefore keenly disappointed that the Experts Meetings on Human Rights and on Human Contacts, and the Cultural Forum, made no apparent progress either in elaborating on our commitments in the Final Act and the Madrid Concluding Document, or in encouraging their implementation. At Ottawa and Budapest, it appeared to us that some countries did not come to discuss these matters seriously, but to prevent serious discussion. At Berne, these countries made such minimal concessions that, even

if a concluding document had been adopted, there would still have been a great deal of unfinished business. Canada will do everything in its power to improve this record here. We must all recognize, Mr. Chairman, that these issues will not go away. It is not a matter of our imposing our own ideas and values on anyone, or of stressing one element of the CSCE at the expense of others. It is a simple recognition of the fact that the Final Act is indivisible, and that confidence depends on making progress in all aspects.

Mr. Chairman, I have had occasion to speak frankly today on issues my country considers of prime importance in building confidence. But my message is one of hope. The problems are real; they cannot be wished away. But if they are faced squarely and discussed in a constructive fashion, and if recent indications from certain countries that they might be prepared to make substantial changes in their approach to key areas of the Final Act are borne out in practice, then real progress is indeed possible.

Progress can be finally measured only in deeds, not in words. But even modest improvements in implementing the Final Act and the Madrid Concluding Document would profoundly affect the lives of millions of Europeans and North Americans. A climate of confidence could be created in which bolder steps would be possible in all areas covered by the Final Act, as well as in other areas such as nuclear disarmament, superpower dialogue, and broader and deeper relations among all participating States.

The issue is confidence, and the challenge is before us. If we shun the heat and dust, we cannot win the prize. But if we keep our courage, goodwill, and above all our patience, we may yet achieve real gains that would make us worthy successors not only of the political, but of the intellectual, cultural, and spiritual giants of Europe who have walked here in generations gone by.

Thank you Mr. Chairman.

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# STATEMENTS AND SPEECHES



Notes for an intervention by the  
Honourable Walter F. McLean, M.P.,  
Member of the Canadian Delegation  
to the Forty-First Session of the  
United Nations General Assembly  
on item 33: the Question of Apartheid

NEW YORK, UNITED STATES

November 6, 1986

Canada





Mr. President,

I consider myself fortunate to address this assembly under your wise presidency. Bangladesh and Canada have had a long and mutually productive relationship. Our membership in the Commonwealth which, as a multiracial organization, has focussed so intensely upon the problem with which we deal today, gives me special encouragement as I speak before this broader audience today.

Canada, like others who have spoken here today, is deeply offended by the policy and practices of apartheid. Canadians are deeply committed to its eradication. We are also committed to peaceful change in South Africa.

Some ask why South Africa and its apartheid system are targets of our concern? Racism and injustices, they suggest, exist in other societies. We do not need Pretoria's reminders to tell us that. We have fresh in our memory discussions at this Assembly about the UN Decade to Combat Racism, and on the status of the UN's landmark covenants and conventions on Human Rights. We remember that the Convention on the Elimination of All Forms of Racial Discrimination is now in its third decade.

Clearly humankind has a long way to go in its quest to end the widespread, blight of racism and racial prejudice. Canadians take this task to heart. We believe we must attack this human failing in all quarters. But a major focus of our concerted attention must be dedicated to ending the only political and social system which has as its underlying tenet and basic structure the principle of racial differentiation. We wish to act in ways that benefit those who have been its victims.

The minority white domination in South Africa is sustained by doctrines of racial superiority, and by systems designed to both reflect and entrench racial inequality. This management through racism prevails only in that country. I am reminded of the words of the Secretary General in his annual report this year, where he noted: "We still face the reality of widespread and egregious infringement of human rights, a reality that casts shame on our era. No form of infringement is more widely encompassing or abhorrent than that of apartheid." The Secretary General went on to note that "Apartheid is, in reality, far more than a problem of human rights abuse. It is a problem with tenacious racial, political

and economic roots - one that jeopardizes the stability and security of an entire region. Only the total elimination of apartheid will restore peace to South Africa and to Southern Africa as a whole." Apartheid is a direct affront to decent people throughout the world - to non-whites, who are presented as children of a lesser god. It is an affront to whites, who resent a racism that wrongly implicates them.

For years Canadians have heard and praised the voices of reason in South Africa - Lutuli, Suzman, Naudé, Boesak, Mandela and Tutu alike. But none of us should be under any illusions. The news blackout in South Africa may make us think things are better. Not so! We are still very much in a race against time, if voices such as those are not to be stilled by oppression, or violence. We give thanks, in retrospect for the moderation of a leader such as Kenyatta. With the benefit of hindsight, we can now see that the path of moderation and tolerance is possible in Africa - even after turmoil and disharmony? Since we spoke to this issue from this podium last year, Canada has not been alone in taking actions to help ensure that the race can be won. With others - governments, institutions, churches, individuals and industries - we have worked in this pursuit, with the ultimate goal of ending apartheid. We hope and pray that the South African Government will not remain unheeding to our call, nor deaf to the aspirations of the majority of its people.

The measures Canada has taken against South Africa are amply spelled out in documents of the General Assembly (such as A/41/506 Add 2 of 21 October 1986) and these will be familiar to this audience. But measures against South Africa are only part of the strategic assault on apartheid. Canadians contribute on a very large scale to Non-governmental Organizations, working in South Africa. Those NGOs, representing increasingly large numbers of Canadians, have both helped on the ground and have educated Canadians about developments in South Africa. My life long interest in Africa was cemented by five years in Nigeria as Director of CUSO (the Canadian Peace Corps) and chaplain at the University of Nigeria. I found that Africans even in the 1960's were of one mind regarding the scourge of apartheid.

My involvement is but one example of Canadian appreciation for the aspirations of Africans. The Canadian Government values very highly its dialogue with non governmental organizations. Such organizations and

our churches have assisted South African trade unions, black education, and refugees abroad, while also monitoring the human rights abuses that might otherwise have remained hidden.

Canada provides assistance in other ways to those who suffer under apartheid. We make grants to the Trust Fund for South Africa and UNEPTSA. We have assisted, in some cases for the past ten years, NGOs in their efforts to aid black South Africans. Last year \$2 million dollars was given to NGOs to bolster their programs of assistance to black South Africans and \$1 million was pledged in humanitarian assistance to the families of political prisoners in South Africa. The Canadian Government announced in June 1986 an increase from \$5 to \$7 million in our contribution for educational assistance in South Africa. Similarly, we have not ignored the needs of South Africa's neighbours either in their efforts to lessen their dependence on South Africa or in maintaining their economic development in the face of difficulties forced on them by South Africa. These are positive actions that add weight to our fight against apartheid. Opposition to apartheid must in our view be matched by action designed to promote peace and prosperity in post-apartheid Southern Africa.

Canadian assistance to South Africans has one objective. That objective is to help the victims of apartheid and encourage the process of economic and social development and thereby hasten long overdue political change.

Mr. President,

The indignities and injustices of apartheid weigh heavily on women. We must not ignore this fact. The Nairobi Women's Conference, which I attended as leader of the Canadian delegation, in its Forward-looking Strategies for the Advancement of Women describe women and children as the group most oppressed by ... "direct inhumane practices such as massacres and detention, mass population removal, separation from families and immobilization on reserves ... where they suffer disproportionately from poverty, poor health and illiteracy." It is heartening to note that the international community is beginning to respond. Earlier this year the Economic and Social Council on the advice of the Commission on the Status of Women recognized both the impact of apartheid on women and the role women play in its eradication. The Council adopted four resolutions noting their special needs. It



called for increased measures of assistance for the women of Southern Africa. Let us listen to what governments in the area have to say on this subject. Let us respond positively.

Canada's measures against South Africa will not destroy either the country or its economy. They are not intended to do so. Our message, underlined by our actions, is that there is little patience with Pretoria internationally. We wish to signal our belief that there is little time for that government to take concrete steps which could end the spiral of violence and draw South Africa back to the community of nations.

Meanwhile, it should be clearly understood that we, and those who have joined us in taking action against apartheid, are shouldering our solemn responsibilities as members of the international community. Responsibilities, I might add, that are outlined in the UN Charter, which South Africa not only signed, but helped draft. Our vision of the sanctions we have thus far put in place centres upon psychology and change, not punishment or destruction. Such measures are not an end in themselves. Before it is too late, they are intended to induce Pretoria to see the light and to dismantle apartheid and negotiate the establishment of a truly representative government. I well recall the words contained in the report of the Commonwealth Eminent Persons Group, of which Canada was a part, and which is represented in this assembly by the Distinguished Ambassador of Barbados, Dame Nita Barrow. I quote "...it is not sanctions which will destroy the country, but the persistence of apartheid and the government's failure to engage in fundamental political reform." I commend to you the eloquent comment of Sonny Ramphal, Commonwealth Secretary General, in his foreword to that same report: "The human spirit in South Africa is crying out for the world's help, for the world's solidarity. It is proclaiming for all who allow themselves to hear that it is not freedom that South Africa should fear but freedom's denial."

We cannot fail to note that there have been some hesitant steps along the path of reform in South Africa and that the higher court system has often courageously worked against the government in the cause of basic justice. Many whites also work, at great risk, for universal democracy. But can we say that internal trends in South Africa have shown any real improvement or lessening of the repression? Indeed, the State of Emergency, the broadening of police powers and the

manipulation of news are revealed as blunt instruments, scarcely masked behind a veil of twisted legality.

If President Botha is prepared to describe apartheid as outmoded, why then does his government persist with its "homelands" policy, one of the basic building blocks of the iniquitous apartheid society? Ask those who lived in Oukasie. This settlement has just been "deproclaimed" in the bizarre vocabulary of apartheid. Ask its people. They have now been consigned, on the basis of race, to Lethlabile. They have been consigned to a place they did not choose. They have been consigned to live a life rooted in segregation. Is this, as press reports suggest, a microcosm of the tactics employed by a government intent on dividing and moulding the lives of the black population? I wish to God that it were otherwise.

As a clergyman, I take more encouragement from another development than I do from the pronouncements of President Botha or his government. The white Dutch Reformed Church of South Africa, seemingly reflecting some cautious liberalization has, in recent days, rejected the theological rationale for enforced racial segregation. That body, which formulated the scriptural justification for apartheid has not, however, discarded other principles of racial separation. It maintains its commitment to separate units for different racial groups. Cannot that Church in the name of God and humanity, go further and join with its non-white branches, denounce apartheid and become non-racial? Think of the example that would be set for South African society if the leaders of that church were to be people with a strength of purpose and a colour-blind humanity akin to that of the new Anglican Archbishop of Capetown! I do not believe that this is too much to ask for a religion which is based on the Christian ethos of human love and mutual acceptance.

Mr. President,

The steps outlined in the Commonwealth Nassau Accord have gained wide acceptance as the objectives of concerted international pressure on South Africa. Such solidarity of purpose continues to grow. South Africa, however, has yet to be persuaded that it must undertake the following if there is to be an orderly and peaceful

transition to a non racial and democratic society:

- the commitment to the abolition of apartheid;
- the lifting of the state of emergency;
- the release of Nelson Mandela and others imprisoned and detained for their opposition to apartheid;
- the revocation of the ban on the African National Congress and other political parties;
- and above all, a dialogue with representative black leadership.

At the same time, we call on all the parties engaged in the use of violence in South Africa to put an end to the tragic spiral of bloodshed and instead to pursue the positive option of dialogue, discussion and debate. Surely this is the path to a peaceful South Africa with full international support.

Earlier in this session, Canada's Secretary of State for External Affairs, the Rt. Hon. Joe Clark, called on all countries, especially those with significant economic relations with South Africa, to implement concrete measures to force the pace of the dismantling of apartheid. Consistent with our commitments deriving from the Nassau Accord, here at the United Nations and within la Francophonie, we welcome the actions of the United States, the European Community and Japan which, together with those of the Commonwealth, will underline the commitment of democratic countries to the abolition of apartheid. We call on other countries who have dealings with South Africa to pause and ask what more may be done to apply meaningful pressure.

"Sanctions busters" must not be allowed to prevail. The skills of which South Africa boasts in the area of "unconventional trade" cannot be allowed to flourish. South African businessmen, many of whom have professed an opposition to apartheid, should pay attention to reform, not to ways of fighting the adverse effects of sanctions and of taking advantage of the short term opportunities that might arise. Their energies should be devoted to pressing for change, rather than searching for loopholes.

For years, Canadian Non Governmental Organizations (NGOs) and churches have held shares in a number of transnational corporations and banks. They have spoken out at shareholders' meetings regarding corporate investment policies in South Africa. The objectives of the guidelines and codes of conduct, which have been put

in place to protect the black majority must not be abandoned and at the same time, we must search for new ways to develop the skills - entrepreneurial and technical - that will be required in a post-apartheid South Africa. In this endeavour, narrow profit motives must not be the paramount considerations.

Mr. President,

South Africa's neighbours have suffered grievous damage from Pretoria's policies of disruption and intervention. This was underlined to me by President Kaunda and other front line leaders last year following the Nairobi Conference. There is now a real prospect of South African retaliation for international or regional sanctions against apartheid. It is important that these countries know that the international community is ready to assist in the event of hardship and interventions from South Africa.

The Canadian Prime Minister, the Right Honourable Brian Mulroney, has made clear Canada's commitment to work with other countries to assist southern African states to meet the challenge. The Canadian Minister for External Relations, Monique Landry, met President Kaunda only a week ago to reassure him of Canada's commitment.

Of course we have long been a contributor to regional development and we have worked to reduce dependency on South Africa through bilateral programmes and through the Southern African Development Coordination Conference (SADCC). Now in cooperation with the SADCC we want to review needs and develop plans to meet contingencies. In addition to developing projects we will also help private importers to explore the possibilities of increasing trade with the SADCC countries in the face of disruption to normal trade patterns.

In the context of the Front Line States, mourning as we do the untimely death of Samora Machel, we welcome the selection of Joaquim Chissano as his successor as the new President of Mozambique. He is a man of great stature and experience. That experience will be a valuable asset in facing the many challenges now confronting his country.

I stand here Mr. President, as a white parliamentarian, representing the government of a truly integrated, multicultural and multiracial society. One in five Canadians is now of the visible minorities and the ratio, we are proud to say, is growing. Our indigenous



people have full rights and, like other Canadians, a say in the governance of Canada. Our acceptance of refugees from troubled areas of the world, across lines of colour and race has, I believe, given us special insights into the riches that a multiracial society can bring to a country, one which led the Commonwealth challenge to South Africa in 1961. I mention with considerable pride that the people of Canada have recently been presented the prestigious Nansen Award by the UNHCR. This underscores the international recognition of what I have just said.

Thus, we Canadians believe that our own history lends even more credence to our call upon the leadership in Pretoria to reform, to end apartheid - to come back to reality and to the comity of nations. I say: Do not recycle apartheid - end it! I say: Do not continue racial segregation - end it! Recognize, before the roof falls in, that life, a good life, in South Africa is possible without racial domination and without apartheid.

Those of us who oppose apartheid have taken the struggle for freedom and equality in South Africa as our common cause. In spite of all that we have done, however, we should not ignore the fact that the sanctions imposed so far will be small comfort to the majority of South Africans, if they continue to be faced on a daily basis with the repression of apartheid. We hope they will not turn a deaf ear to the voices of moderation from within their own communities. But the South African government and its supporters must change direction. They must break with the evil which is apartheid. If not, violence will reign. The opportunity for negotiated and peaceful change will pass. And South Africa will descend to the very chaos the masters of apartheid fear.

Those prospects force us to keep up the relentless pressure on the Government of South Africa. It must be clear that if South Africa does not answer the call for concrete action, if our step by step approach does not bear fruit, the world will act again, and act with even more stringent measures. Change will come to South Africa. We hope and pray it will be peaceful, constructive change. But change it will.

The people of South Africa should determine their own future. The main burden, after all, of the liberation of South Africa will be borne by South Africans themselves. Nevertheless the international community has a key role to play. The challenge it faces is to bring about the rapid and peaceful eradication of the inhumane

system of apartheid while there is still time. There is no policy practised by any member state that has been condemned by this Organization so categorically, so unanimously and for so long. It is a disgrace to humankind that apartheid continues to exist.

Mr. President,

Canadians stand in spirit on the banks of the Limpopo river and look south. We do not like what we see. We, therefore, join with others in calling for the elimination of apartheid as one of the major imperatives of human society and of this Organization. At the same time we offer our prayers that South Africa will soon heed the will of the international community and acknowledge the rights of all of its people, lest it slide into chaos and conflagration.

Mungu Ibariki Afrika ...

God bless Africa. Thank you, Mr. President.



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# STATEMENTS AND SPEECHES



Speech by  
the Honourable Pat Carney,  
Minister for International Trade,  
to the Canadian Club

VANCOUVER, BRITISH COLUMBIA  
November 13, 1986

Canada





Good afternoon, ladies and gentlemen. It is a distinct honour to stand before this distinguished forum and, of course, it is a distinct pleasure to be back home in this great city of Vancouver.

It seems most appropriate to be in Vancouver for this first opportunity to speak to you in my new role as Minister of International Trade because British Columbia has always made a major contribution to Canada's external trade.

Of course, British Columbia is also Canada's presence in the Pacific Rim, and area that is unmistakably the economic hub of the future, the area in which there is considerable economic potential for Canada.

In fact, according to a recent report of the general agreement on tariffs and trade -- the GATT -- Trans-Pacific trade now exceeds Trans-Atlantic trade for the first time. that puts Vancouver -- our gateway to the Pacific Rim -- right in the middle of the action. This is the place to be. Of course, this comes as no surprise to me. As British Columbians, we've always known that!

British Columbia was one of four provinces visited last month by a group of senior businessmen from one of our most important Pacific Rim neighbours -- Japan. These businessmen were here on a trade and investment mission organized by Mr. Minoru Kanao, the Chairman of the Canada-Japan committee of the Keidanren, the leading association of Japanese business decision-makers.

At the end of their week-long visit, they told the Prime Minister that they had "discovered in some ways a new Canada". In their previous visit to Canada they found barriers to investment, poor Federal-Provincial relations, and great labour unrest. This time they found Investment Canada seeking new investment, a new spirit of national reconciliation, and a better labour climate.

The Kanao mission emphasized that Canada's traditional role as a major supplier of natural resources to Japan must continue on a long-term basis.

At the same time, however, they also made it clear that Japan must deal with the new Canada. Japan must increase its imports of our manufactured goods. In high-tech areas, they consider it very important for us to explore opportunities for technology transfers and joint ventures between Japanese and Canadian companies. Canada has world class competitors in a wide variety of different industries.

These conclusions of the Kanao mission are extremely significant, given the considerable impact that this mission is likely to have on how Japan does business with Canada in the coming years.

This is a new foundation upon which we can build a more expansive economic relationship with Japan. While the impressions of the Kanao mission are fresh in our minds, I shall take the opportunity to go to Japan next week to explore further new trade and investment opportunities between our countries.

I will be meeting with many members of the Kanao mission, including senior executives of Mitsui, Mitsubishi, Seiko, Toyota and the Industrial Bank of Japan. I will also be attending two investment seminars, one in Tokyo and one in Osaka, that are being organized by Mr. Kanao as part of Japanese efforts to promote what they described as "a new Canada".

Since coming to power in September, 1984, the Government has devoted an enormous amount of energy to revitalizing Canada's economic environment and reshaping Canada's image abroad. At a time when protectionism and inward thinking is very real in some western industrialized countries, we are determined to fight against these negative pressures. Through several constructive measures, we have opened up the Canadian economy, building bridges, not barriers, to economic opportunity.

Two very real barriers to growth -- the national energy program and the Foreign Investment Review Agency -- have been eliminated. I have referred earlier to Investment Canada, an agency whose mandate is to facilitate and promote investment that will bring Canada new technologies, ideas, capital and jobs, investment that will increase Canada's international competitiveness.

The major focus of Investment Canada, during its first year of operation, has been to change negative perceptions of Canada as a location and a partner for business and investment. Much of the agency's time has been spent on promoting the kind of "new Canada" to which Mr. Kanao referred during his recent visit.

The NEP has been dismantled, oil and gas prices have been deregulated and we have introduced a market-oriented policy that limits government intervention and allows business to balance its risks with rewards.

We are working with real determination to break down two other obstacles that stand in the way of our reaching our economic potential -- the federal deficit and barriers that impede our trade relations with the United States and our other GATT partners.

With initiatives such as these, the government is redesigning Canada's economic environment, building the "new Canada" that the Kanao mission saw in October. Canada's business climate is now more open, positive and dynamic.

By seizing opportunities, we are creating opportunities. The major economic initiatives of the Federal Government clearly demonstrate this fact: business opportunities in this country have never been better. In fact, Investment Canada is forecasting that the growth rate of our GNP this year will outpace even that of Japan.

The Japanese are taking advantage of this "new Canada". They know a good opportunity when they see one. The Japan external trade organization -- JETRO --has established centres for industrial and technological cooperation abroad, including one in Toronto. And seven Japanese banks are now established in this country. These actions reflect and renewed confidence and interest in Canada among Japanese traders and investors.

Recent increases in Japanese trade with, and investment in, Canada also demonstrate this renewed confidence and interest. The facts speak for themselves.

While the amount of two-way trade between Japan and Canada is overshadowed by trade between the U.S. and Canada, it is increasing. In 1983, trade between Japan and Canada totalled \$9.13 billion (Cdn). By 1985, the total increased to \$11.8 billion (Cdn). This represents an average annual increase of 13.1 percent over those three years. It is interesting to note that the growth of Canada-Japan trade is keeping pace in recent years with that of our other most important trading partners.

Japan is our second largest export market, a market upon which 100,000 Canadian jobs depend. Japan has become the world's largest net exporter of capital.

Japanese foreign direct investment in Canada is also



increasing. Japan is now the fifth largest foreign direct investor in this country. The stock of Japanese direct investment in Canada rose from \$275 million (Cdn) in 1975 to \$1.7 billion (Cdn) in 1984. This represents an average annual growth of 23 percent -- a very encouraging growth rate by any standard.

A major industrial cooperation agreement between Japan and Canada also reflects a new interest in investments in manufacturing in Canada. In September, 1985, the Japanese Ministry of International Trade and Investment -- MITI -- and our Federal Department of Regional Industrial Expansion signed an agreement to facilitate joint ventures between Japanese and Canadian firms in advanced manufacturing technology, microelectronics and fine ceramics. This agreement has been so successful that it was expanded this year to include space technology and biotechnology. Another such agreement was signed this summer with Mitsubishi.

Certainly, there is already much progress being made to enhance our economic relationship with Japan. The momentum is there. to build on this momentum is the purpose of my trip to Japan next week. Let me outline very briefly some of the specific objectives of my trip.

First, I want to emphasize the importance Canada accords to its economic relationship with Japan. This fact was enunciated in the recent Speech from the Throne, which indicated that the Government of Canada will work vigorously to improve our stature as a trading nation with Japan and other Pacific Rim nations.

Second, I want to promote increased exports of Canadian manufactured goods, a subject raised by the Kanao mission, as I mentioned earlier. In recent months, we have seen a dramatic increase in sales of certain Canadian products, such as processed food, due, in part, to a revalued yen. This is an area in which I firmly believe Canadian exporters can achieve greater success.

Third, because trade and investment are so interdependent, I shall use the two investment seminars I will attend to promote an increased flow of Japanese technology and capital to this country. I intend to focus attention specifically on the development of greater industrial cooperation between Canada and Japan.

I look forward to this upcoming trip to Japan as an exciting opportunity to promote an increase in Canada's economic participation in the Pacific Rim.

One thing I do want to make clear, however, is that Canada's interest in the Pacific Rim is by no means limited to Japan. China is our fifth largest export market and South Korea our seventh.

And of course our continental partner, the United States, is also a Pacific Rim neighbour.

I spoke earlier about building bridges, not barriers, to economic growth and, specifically, about the elimination of domestic barriers, like FIRA and the NEP. Of course, not all such barriers are domestic. That is why we have embarked on major initiatives to enhance our trade relations with our GATT partners as well as specifically with the United States.

Canada and the U.S. have an economic partnership that is the envy of the world. And no wonder! Our two economies are highly integrated. We share a Continent, a common language, similar cultures, consumer tastes and habits as well as business practices.

The vast North American market is the richest in the world, and Canada is an integral part of it. Many markets on this Continent operate on a regional, cross-border, North-South basis. For example, more than 35 million consumers are within two days' trucking distance of B.C. this includes major urban markets in British Columbia, Alberta, Saskatchewan, Washington, Oregon and California.

In 1984, Canada and the U.S. did more than \$150 billion (Cdn) in two-way trade in goods and services. More than two million American and two million Canadian jobs depend on that trade. By 1987, 80 percent of Canadian exports south of the border and 65 percent of U.S. exports to Canada will be duty-free.

Without a doubt, there is no more important or complex trading relationship in the world. Traders and investors in both countries need governments to set standards of conduct which are appropriate for a relationship of such size and sophistication. A long-term, binding trade treaty can give them that certainty, by limiting the ability of interest groups on both sides of the border to use harassment tactics.

Given the obvious integration of our economies, it is simply not in our mutual interest to maintain tariff and non-tariff barriers that prevent Canadians and Americans from achieving the full potential of which our people and our resources are capable.

The government believes we must work vigorously to address these barriers. We must make every effort to ensure that our economic relationship with the U.S., that has set the world standard in terms of size, cooperation and dynamism, is not impeded by such obstacles to growth and development.

Barriers to trade are, quite simply, barriers to business. They are an international deterrent to entrepreneurial activity. The government is working to break down trade barriers because we believe that international cooperation in the interest of continental as well as global objectives is absolutely essential today. To do otherwise, in my opinion,

would be, as Marshall McLuhan once said, to march backwards into the future.

We must concentrate our efforts on securing and improving our economic position in a rapidly changing world economy. If we have ever taken our economic relationship with even our closest friend, ally and neighbour for granted, we must not do it now.

We must not burn our bridges to economic opportunity. The rise of U.S. protectionism makes us acutely aware that we cannot be smug or complacent, that the world economy and our place in it is changing whether we want it to or not.

The Economic Council of Canada predicts a net increase in jobs by 1995 of as much as 376 thousand if a bilateral agreement is reached.

Conversely it predicts a net decrease of 528 thousand jobs by 1995 if no bilateral agreement is reached, assuming the USA expands protectionist measures.

What we must do is learn the lesson of West Germany and Japan. as Peter Drucker recently pointed out in Foreign affairs, these countries have based their economic policies on the world economy, they have systematically tried to anticipate its trends and have exploited its changes as opportunities. Both have made their country's competitive position in the world economy the first priority in their policies. Their focus on the world economy and the priority they give it may be the real "secret" of their success.

Now is the time to recognize the unique opportunity that we have in the world. We can try to reshape our trading relationship with the U.S.

This is the basis of our pursuit of a long-term binding trade treaty with the united states. We have three primary objectives which are worth restating here. They are:

- o to secure stable access to each other's markets,
- o to eliminate remaining tariff and non-tariff barriers; and,
- o to establish better trade rules and a better framework for settling trade disputes.

First, secure and stable access to each other's markets is absolutely essential to the growth of exports, jobs and investments. Business needs a stable and reliable environment in which to prosper. A comprehensive and binding trade treaty with the U.S. would provide traders and investors with the kind of stability and predictability that their activities demand.

The importance of our securing access to our single most important market cannot be overstated. In a recent article,



published by the Asia-Pacific Foundation, Dr. Wendy Dobson, director of the C.D. Howe Institute, cites uncertainty about Canada's access to the U.S. market as a major reason why Japanese trade with, and investment in, Canada have not been even greater in the early 1980s.

The fact that Canada plays a major role in the North American market is a major competitive advantage that we must protect. Our place in this Continent's economy is a major competitive advantage, a leading incentive for investment. Increased investment and the resulting increases in trade it so often brings are vital to Canada's economic development. Clearly, Japan is not the only country with a keen interest in Canada's access to the American market.

Second, while there are no tariffs already on many products traded between Canada and the U.S., an agreement would reduce or eliminate all other tariff and non-tariff barriers over a specified period of time. Transition arrangements for the phasing out of such barriers would, of course, be tailored to the needs of the sectors affected.

There will be some adjustment, but as the Economic Council of Canada recently pointed out, the Canadian economy is constantly adjusting to global competition in any event. Indeed, four million Canadians change jobs every year.

Third, an agreement could establish a mechanism for the fair settlement of trade disputes between our country and the United States. I do not have to remind this audience in this province of the need for such a mechanism.

Such a path-breaking trade agreement with our most important trading partner could also have a significant impact on the international economic environment. First and foremost, it could serve as a model for other countries who want to negotiate liberalized trade agreements. Certainly, Canada is not the only nation with serious concerns about the increase in protectionism south of the border.

A Canada-U.S. Trade Treaty could also set a precedent for global action on such vital issues as trade in services. Services constitute the fastest growing part of both the Canadian and U.S. economies, and yet, they are not properly regulated by international treaties. A Canada-U.S. trade treaty could make a considerable contribution to broader international negotiations.

In addition, it could also serve as a model for the 93 nations of the GATT on how to solve disputes and improve existing codes on subsidies and government procurement. These were top american objectives at the new round of GATT negotiations launched at Punta del Este, the most important round of negotiations since the GATT was established 40 years ago. However, these negotiations will take years to produce significant results, while an agreement between Canada and the



U.S. could be finalized within the next year, given strong support on both sides of the border.

Finally, a Canada-U.S. Trade Treaty can give us the market that Canadian business needs to specialize and achieve economies of scale. Successful Canadian businesses will be able to move through the U.S. market to compete in other markets.

Of course, it only makes sense to seek enhanced economic relationships with our trading partners. Given the growing interdependence of the international economy, it only makes sense to develop further our most significant trading relationships. And given the growing significance of the Pacific Rim, it only makes sense to focus our attention on enhancing our economic relationships with our neighbours in that area.

I have spoken earlier this afternoon about building bridges, not barriers, to economic opportunity. I cannot think of two better opportunities.

Thank you.



# STATEMENTS AND SPEECHES



Notes for an address by the  
Right Honourable Joe Clark,  
Secretary of State  
for External Affairs,  
to the Fifth Pacific Economic  
Cooperation Conference

VANCOUVER, BRITISH COLUMBIA  
November 16, 1986



Mr. Chairman, distinguished delegates, Ladies and Gentlemen, this continent was discovered by Europeans trying to find their way to Asia. This country was opened by fur traders and explorers working their way to the Pacific. The Act which made us a transcontinental nation was the building of a railway to connect the rest of this country to the Pacific. So our attraction to Asia and the Pacific began before our country did, and each year it becomes more important. We are honoured to host the Fifth Pacific Economic Cooperation Conference here, to consider ways we can continue to grow together.

I extend a particular welcome to those Committees who are attending this Pacific Economic Cooperation Conference as full participants for the first time. Your participation is striking evidence of the growing tide of interest and involvement in Pacific Economic Cooperation.

We hope all of you will find some time to see Vancouver while you are here. We are naturally proud of the beauty and dynamism of this city, but also of how well she reflects the cosmopolitan nature of this country. All of you would find in Vancouver strong traces of the cultures you come from, and so you would in other parts of Canada. We are one of the most international of countries. Our people come from everywhere and our policies reach out to everywhere, in trade, in development, in investment, in our refugee programmes, and in the travel and teaching and traditions of our citizens.

Increasingly, we turn more of our attention to our relations across and around the Pacific Ocean. In October, in the Speech from the Throne, Her Excellency, the Governor General of Canada, set out the Government's agenda for the next year. She underlined the special emphasis we place on broadening our economic and trade relations with the other nations of the Pacific.

We recognize, as national policy, that our future prosperity is tied to the Pacific. Look at the unparalleled economic vitality of the region. Over half of the world's Gross National Product is generated by nations of the Pacific. Canada's stake is clear. Two years ago, our Pacific trade surpassed our trade across the Atlantic. Japan, China, Korea and Australia are all among our top ten customers. Our trade with the members of the Association of South-East Asian Nations has tripled over the last decade. More business and government missions are visiting the region than ever before.



In Canada, trade means jobs: we do not have a large domestic market to achieve efficient economies of scale. Instead, we rely on the free flow of trade between markets, be it across the Pacific, across the Atlantic, or anywhere else. Twenty-seven percent of our GNP is directly related to exports. One in three Canadian jobs depends, in some form, on trade. It is important to all the countries of the Pacific Rim, and many of you in this room are at the heart of significant trading activity. Trade between Pacific countries accounts for almost 40 percent of total world trade. I am pleased that tomorrow's discussion will begin with a consideration of trade and trade policy.

We all have a deep and abiding interest in helping the world move to more open trade. There are impulses to protectionism in every country, and they are easier to resist when they are resisted together. Canada is both a victim and a source of restrictive trade and investment policies. And so are we all, in different ways, and sometimes in ingenious ways.

National interests differ, and of course, must be respected. But there is an international interest too that affects us all, as part of a world that draws us increasingly together. A Canadian coined the phrase "the global village", but we all live in it. We all trade in it. We all face the challenge of pursuing our particular national objectives in a world without hiding places.

That dilemma was addressed by the member nations of the GATT in the meeting in September in Punta del Este, which launched the new Uruguay round of trade negotiations. Great sensitivity was needed, and was displayed in addressing contentious questions of services, of agriculture, of trade-related investment.

I led the Canadian delegation to the GATT, and was impressed by the degree to which cooperation in other arenas allowed countries with different interests to work together to launch the new round.

While it is always risky to single anyone out in international negotiations, I thought part of the success in Uruguay had its roots in the cooperation which the nations of ASEAN inspired in their annual dialogue. Certainly, for Canada, the habit of working directly with ASEAN helped us all make progress in both agriculture and services.

For our part, in Canada, we are seeking to open up the rules relating to both trade and investment. Some of you will have heard of Canada's Foreign Investment Review Agency and will rejoice with us that it is gone. To demonstrate the influence of a policy on practice, foreign investment in Canada reached a level of 4.7 billion dollars in the first six months of 1986, compared to 5.4 billion dollars in all of 1985. That is because the signal has been received that we have reduced significantly our limitations on foreign investment.

In trade, we entered deliberate negotiations with our largest trading partner, the USA, to seek a freer trade arrangement between our two countries. That same spirit leads us to take an active role in new GATT negotiations and, of course, any arrangement between Canada and the USA will be fully consistent with our GATT obligations. Indeed, history teaches us that a successful trade negotiation between Canada and the United States can significantly strengthen the GATT.

Fifty years ago, the United States was gripped by protectionism. Smoot-Hawley was passed, and insular USA policy dragged the world deeper into depression. That destructive pattern was broken by a bilateral agreement between Canada and the United States in 1938. That was the beginning of liberalized trade between our two countries. That agreement became the basis of the GATT, just as an agreement now, between Canada and the United States, could help break the new tide of American insularity, and thereby open new opportunities for a more liberal world trading system.

Of course, a stronger and more vigorous North American economy would provide an expanded market for all our trading partners, including the dynamic economies of the Pacific Basin. A new trade agreement with the USA could offer investors in Canada guaranteed access to a market of over 27.5 million people.

Our national trade strategy clearly identifies the Pacific Region as an area of priority. It has resulted in concrete actions on our part, such as the opening of new offices in Auckland, Osaka and Shanghai. I have taken great pleasure personally in visiting many countries in the region, and have taken the opportunity to actively promote trade and investment, as well as endure the more esoteric experiences that befall a foreign minister.

My colleague, the Minister for International Trade, who represents this city in Parliament and who was born in Shanghai, attaches a naturally high priority to Pacific relations, as does the Prime Minister, who visited Japan, China and Korea in May, following the Economic Summit in Tokyo.

We have been involved with Pacific Economic Cooperation Conferences since the process began in Canberra in 1980. I founded the Canadian National Committee on Pacific Economic Cooperation in October of last year, and many distinguished Canadians from the business, academic and government sectors serve on the Committee. You will understand my pride in the dedication of Eric Trigg and his colleagues and the impressive team of volunteers, in ensuring the success of this Conference. I also commend Mr. Trigg and the Canadian National Committee in heightening the awareness of Pacific Economic Cooperation in Canada.

The degree of interest in Pacific Economic Cooperation has picked up, not only in Canada, but elsewhere in the Pacific, particularly after the excellent meeting organized by Korea last year. It is our view that for Pacific Economic Cooperation to be truly successful, the six nations that comprise ASEAN need to be completely engaged in the process. And I hope the presence of Dr. Subroto at the Head Table this evening, and the presence of delegates from Brunei for the first time, bodes well for the future, as, of course, does the presence of Dr. Thanat Khoman, who has been so instrumental for so long in promoting Asia Pacific Cooperation.

I understand ASEAN concerns that Pacific Economic Cooperation may detract from ASEAN itself. We believe that, rather than detracting from the integrity of ASEAN, the Pacific Economic Cooperation process can complement ASEAN objectives. The task forces on trade policy, fisheries, and investment, provide a unique opportunity to influence the larger Pacific process. Certainly, Canada's commitment to ASEAN will not slacken because of greater Canadian involvement in this process, and I am sure that the same holds true for other national governments. We believe that only with ASEAN's full support, will Pacific Economic Cooperation reach its full potential.

The economic growth of the nations of the Pacific has been remarkable. It can be attributed to the market approach adopted by the majority of countries in the Pacific, and to the political stability of the region. Trade and domestic economic growth cannot flourish in an atmosphere poisoned by conflicts, or stifled by too much government control.



It is in that spirit that our Standing Committee agreed to an officer of the Soviet Embassy attending this meeting as an observer. We were all extremely interested by General-Secretary Gorbachev's speech at Vladivostock. The Soviet Union has a unique opportunity to give substance to some of its declared intentions in that speech, by making a constructive contribution to the objectives of Pacific Economic Cooperation espoused by this Conference, positive economic collaboration in the region could provide a test for the Soviet Union regarding its long-term intentions with respect to the nations of the Pacific. Members of this Conference will, no doubt, watch developments between this meeting and the next one in Osaka. National Governments, including mine, will do the same.

I have read and endorse the Pacific Statement, which has been approved by the Standing Committee. It marks an evolution of Pacific Economic Cooperation and recognition that the process needs a little more structure. Until now, it has been appropriate to proceed in an ad hoc fashion. However, the time has come to consider a small permanent or semi-permanent secretariat and a more stable source of funds for the work of task forces. Anything contemplated should be modest, subject to review after an experimental period, and carried by both private and government funding, with contributions from all countries.

You have an effective programme before you, and I commend so many of you who have worked to put it in place. I know that what has driven you all to work hard on Pacific Economic Cooperation is the vision which you share of the Pacific Rim countries prospering through Economic Cooperation.

We all owe special thanks to the pioneers of any venture, the people who get initiatives going. An immense debt is owed those people who, in Canberra, and before, and since, have brought life and substance to Pacific Economic Cooperation. Now we are poised to move well beyond those beginnings.

Certainly Canada intends to recruit many new people to the cause of our Pacific relations, and to continue to enlarge the ranks of governments, academics, business leaders and commentators to whom the Pacific is a Canadian priority.

It has been an honour for me to be here this evening. I am proud that Canada is hosting this Conference, and I wish you the very best success.

Thank you.





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# STATEMENTS AND SPEECHES

Speech by  
the Honourable Pat Carney,  
Minister for International Trade,  
to the Conference on Business's Stake  
in the Free Trade Negotiations

NEW YORK, UNITED STATES

November 19, 1986

Canada



Thank you. It is a pleasure to be here tonight particularly after the way my day started.. That was an interview with an American journalist .

"Canada", she said, "was dull". Canadian news -- and news-makers -- were boring.

She compared our capital, Ottawa, with Rochester, a city which I have never visited, but about which she had few kind words to say.

Canada, she said, closing her notebook, had better improve its public relations by being more controversial and more aggressive, if Canadians want Americans to pay attention.

Her comments bothered me, because they were echoed by other news media interviews during the day.

I told her I was not here to launch a trade war with our biggest trading partner. The Canadian contingent was not planning to bomb the embassies or take hostages. Nor were we here to lob retaliatory hand grenades over U.S. actions on softwood lumber, actions we feel to be bitterly unfair.

Much to her disappointment, I did not announce retaliatory measures to knee-cap Americans for discriminatory oil import measures or increases in customs user fees which are illegal under the GATT.

Instead, I was here to discuss a historic initiative between our two countries, an initiative which would strengthen and protect the world's largest trading relationship, on which four million Canadian and American jobs depend and which would open up a new and exciting opportunities for economic growth in a world vibrant with change, electric with challenge and oppressed by the forces of protectionism. Canada and the United States were joined in a formidable endeavour to take both our countries into the 21st century through the U.S.-Canada free trade negotiations now underway.

At that point, the reporter lost interest - her parting words to me were: "Why do I feel I've been had by another Canadian".

This brings me to my central point and my central challenge to you.

The point I wish to make is that the trade negotiations between our two countries are central to our economic future and in our mutual benefit.



The challenge is to enlist your help in taking that message to both Canadians and Americans.

Trade means jobs and jobs mean economic and social security. Both are necessary to reach that state of bliss so aptly described by Americans as "Life, liberty and the pursuit of happiness", and by Canadians, predictably as "peace, order and good government". Those two phrases -- one dynamic and one prudent, describe the inherent difference in our national characters.

I want to step back a bit from the details of the current trade discussions and provide a perspective in which to view longer-term issues which I believe Canadians and Americans should bear in mind when discussing the trade negotiations.

#### Protectionism and the Bilateral Economic Relationship

Next year, 1987, will mark the fortieth anniversary of the founding of the GATT, the General Agreement on tariffs and Trade. Four decades ago, the nations of the world, led by the United States and strongly supported by Canada, decided to build a new international trading system. They had two goals.

First, to prevent the destructive, protectionist trade policies of the 1930's from gaining the upper hand in the postwar world.

And second, to move gradually, but steadily, toward the objective of free trade.

The economic horrors of the depression years were fresh in the minds of the architects of the GATT. They understood that the disastrous consequences of the depression were due largely to the fact that virtually all nations were protectionist. The results, which seem predictable today, but were not fully understood in the 1930's, were declining world trade, stagnant economies and massive unemployment.

Since the late 1940's a lot of progress has been made in lowering trade barriers through the GATT. Indeed the eighth round of GATT negotiations has just begun. But the economic difficulties of the 1980's, which are being discussed in GATT, have made the quest for freer global trade an increasingly difficult one.

Protectionist forces and trade restrictions are on the rise in many countries today. Some people, pointing to growing levels of imports or to trade deficits, favour a decisive application of protectionist medicine. Perhaps they forget that this medicine proved near fatal in the 1930's.

Perhaps too, they fail to realize that all trading nations have grown wealthier and more prosperous, thanks to the enormous increase in world trade during the last four decades.

Unfortunately, the strong protectionist pressures buffeting the world trading system have strained the Canada-United States relationship. In some ways this is to be expected. Our two countries have developed the largest two-way trading relationship in the world. Trade in goods and services between our two countries exceeds \$145 billion U.S. annually. Each country is the other's largest export market. Citizens and businesses in both countries engage in millions of cross-border transactions every year. These include the purchase and sale of goods, rapidly growing financial transactions, and a substantial two-way tourist business.

Moreover, our trade has been growing rapidly in recent years. Many billions of dollars of investment capital are closely tied to it. In sum, the ties between Canadian and American business are extremely complex.

It is precisely because of these close ties between Canada and the United States that business leaders in both countries should worry about the trend toward protectionism. The stakes for business are clearly enormous.

If the current negotiations succeed, our trading relationship will be more secure, new markets will open up, new jobs will be created, and investment will grow in an environment of certainty.

On the other hand, if the negotiations fail, this historic opportunity will have been missed. We will have missed an opportunity to create new jobs., We will have missed an opportunity to promote new growth. And we will have missed an opportunity to show the world the way to trade liberalization in the 1990's and beyond.

In both countries, the protectionist voice is loud and clear. It's now time to hear from those who will benefit from a trade agreement. In my view, clearly the vast majority of Canadians and Americans will benefit from such an agreement, both now and in the future.

The evidence overwhelmingly shows that both Canada and the United States have prospered from trade liberalization. As we have lowered our trade barriers in cooperation with other nations, jobs have increased, business has become more efficient, national income has risen, and our consumers have benefitted. Our economies are more efficient, more competitive

and more prosperous thanks to trade liberalization both at home and abroad.

In both the United States and Canada there are people who claim that building higher protectionist walls will save jobs and allow the economy to prosper.

Yet the fact is that over the past four decades both the United States and Canada have grown stronger economically as our exposure to world trade has increased, and as our own trade barriers have been reduced.

Recent years provide an interesting example of this trend. As we all know, the United States has been running large trade deficits since 1982. These deficits have prompted numerous interest groups to demand that tough protectionist measures be taken against U.S. trading partners, including Canada. However, during the same period that you have been experiencing large trade deficits, you have also enjoyed economic growth and an enviable rate of job creation.

Those who say lower trade barriers mean economic decline have got it backwards. In fact, it's just the opposite. For all nations, cooperative efforts with their trading partners to reduce tariff and non-tariff barriers pay off. Forty years of global trade liberalization prove that international trade is mutually beneficial.

For Canadians, the threat that the United States may abandon its historic commitment to free trade is ominous. Despite President Reagan's continuing support for trade liberalization and recent evidence that the U.S. trade deficit is declining, protectionism appears to be gaining ground in the United States.

One sign of this is the increasing tendency to harass foreign producers. We view the ongoing threat to Canadian softwood lumber as a particularly unwelcome illustration of how American trade laws are often employed in an unjustified manner, creating considerable uncertainty for foreign exporters, and for the people employed in export industries.

I use the term "unjustified" because the Canadian lumber industry was exhaustively studied and given a clean bill of health by the U.S. Commerce Department only three years ago. Since then, nothing has changed.

Yet through unilateral changes in the rules used to measure subsidies, the Department completely reversed its 1983 ruling and imposed a 15 per cent provisional duty on Canadian softwood lumber in mid-October.

We reject the reasoning behind the Commerce Department's recent reversal on softwood lumber. One critical issue in dispute is

how to determine the value of a tree. Simply because other countries manage their natural resources differently from the United States does not mean that they are unfair traders.

Difference in resource management policies do not automatically constitute subsidies!

In Canada, critics argue that actions such as the softwood lumber countervail are reason to call off the trade talks. I disagree. I do not believe that either country's long-term interests will be served by walking away from these discussions. I must say however, that these actions certainly impede the process.

When I was in Washington two weeks ago I met with U.S. Trade Representative Clayton Yeutter to discuss this very subject. We recognized that trade irritants can affect the progress of negotiations which are aimed at creating a comprehensive trade agreement. We agreed, therefore, that we would meet on a quarterly basis to attempt to resolve such irritants at an early stage. Similarly, U.S. Commerce Secretary Baldrige and I agreed to keep in closer touch.

This will allow our negotiators to pursue their goal of creating a trade treaty to govern a large, complex, and sophisticated commercial relationship, within a new treaty that will reduce not just trade barriers, but also uncertainty.

As business people know better than anyone, uncertainty creates an unhealthy climate for business decisions because it chips away at the confidence that is so vital to a thriving economy.

### Benefits of a Trade Agreement

The challenge facing the Canadian and U.S. negotiators is to reach an agreement that meets the key objectives of both countries. This goal is not an easy one, but it is in the interests of both countries to strive for a successful outcome.

In Canada there has been a longstanding debate over the benefits and costs of a new trade agreement. Although the subject continues to arouse controversy, a broad consensus has developed around the position that Canada would gain from a trade agreement with United States.

Most of the nation's business community and the provincial governments accept this view. And of course the Canadian Government is also convinced that a trade agreement would increase jobs and advance Canada's economic interest.



What about the United States? I cannot, of course, comment on the negotiating objectives of the U.S. Government. Nonetheless, it seems obvious that the vast majority of Americans have a lot to gain from the negotiations. Indeed, Senator Bill Bradley wrote in The New York Times that "every farmer and every worker in American export industries has a stake in making certain these talks do not stall".

Those people who reflect the interests of that majority must speak louder than the self-interested protectionists. People like you, who clearly have an interest in the negotiations, should demonstrate that interest to U.S. policy-makers.

So, as the title of the conference asks, what is your stake in the negotiations? Let me list a few reasons why the negotiations are in your interest.

First, the United States would enjoy better access to a major wealthy market which is equivalent in size to some 10 per cent of the U.S. domestic market. This would be particularly important to industries in border states that already export heavily to Canada. Canada has been an attractive and growing market for U.S. exporters. A trade agreement that phased out remaining tariffs would result in even more export sales for U.S. industry.

Second, the United States would benefit from the development of new rules to address non-tariff barriers and other policies that impede trade. For example, government procurement in both Canada and the United States is restricted in many cases to domestic suppliers. A new trade agreement could lead to the opening up of a very significant government procurement market in Canada for the United States.

Third, the establishment of new rules to regulate trade in services will be in the economic interests of both the United States and Canada. Services account for some two-thirds of GNP in most advanced industrial countries, and they are an increasingly important element of world trade. In fact the international monetary fund has estimated that 20 per cent of world exports is now of services.

At present, trade in services is not subject to GATT discipline, and the United States had identified this as a priority issue for the new GATT round. Communications, transportation, professional services and finance are among the most important service industries for the Canada-U.S. economic relationship. Services may be where the bulk of trade action is in the future.

The trade negotiations provide an opportunity to devise mutually acceptable rules and standards that will improve

the access of U.S. service industries to the Canadian market.

Fourth, the conclusion of a trade treaty can add momentum to efforts to negotiate freer trade in the wider multilateral trading system through the GATT. Both Canada and the United States have advocated world-wide trade liberalization and have welcomed the decision to proceed with a new GATT round.

A Canada-United States trade agreement will allow the two countries to devise new approaches for dealing with trade issues such as services, subsidies, government procurement, and trade related investment.

This in turn can help to push the GATT talks forward by providing models for removing and regulating trade barriers in areas that have so far escaped effective international trade regulation.

Finally, the United States will also benefit from having a stronger and more prosperous neighbour to its north. A trade agreement which established a new foundation for trade between our two countries would, over time, result in the emergence of an economically stronger and more confident Canada, one that would become an increasingly effective and valuable ally of the United States. But beyond all of these reasons, ladies and gentlemen, is the most basic one. We want to make it easier to do business between our two countries. Barriers to trade are barriers to business and economic growth.

In Canada, the trade negotiations have been a subject of intense interest and discussion in recent months. The same cannot be said of the United States. Here, the trade talks have attracted very little attention. Often, it seems that the only news that Americans hear about Canada relates to the problems and irritants that inevitably arise between our two great nations.

Unfortunately, the enormous stake which Americans have in our trade relationship is simply not well understood in this country.

American business leaders can help to repair the blind spot which so many Americans have when it comes to economic relations with Canada.

First, by recognizing the significance of Canada to U.S. business. We are your largest customer, and we continue to be a steadily growing market for U.S. goods and services.

Second, by understanding that your trade problems do not arise from Canadian actions, and will not be resolved by attacking Canada. We know the U.S. has a large deficit. We also know that some Americans like to point out your deficit with Canada.

Let's look at this myth. It is true that Canada presently has a surplus with the U.S. in merchandise trade. However, you should not forget that the United States has a large surplus in services.

It seems odd that a country that has so fervently promoted trade in services at the GATT conveniently neglects to take it into consideration when evaluating its trade relationship with Canada. When trade in services is considered along with trade in goods, the Canada-U.S. trade picture is quite balanced. Your problem is not with us.

Third, as I said before, business leaders can contribute to the progress of the negotiations by speaking out in favour of the initiative. Members of Congress who perhaps have not yet turned their attention to this initiative will be interested to hear the views of the private sector.

Finally, I would urge American business leaders to look at the trade talks in the context of the long term relationship between our two countries. A new trade agreement will not solve all of our trade problems overnight. Nor will it result in the sudden dismantling of all remaining trade barriers.

What a trade agreement can do, however, is build a firmer foundation for what is already a successful trading relationship. By defining new rules, by gradually reducing barriers, and by lessening the uncertainty that often affects our trade, a Canada-United States agreement will improve both the environment and the prospects for business on both sides of the border.

It's time to rise above parochial interests and look to those of all Canadians and Americans.

I urge you to make that clear to policy makers and the American public.

I hope I have had your attention.

Thank you.

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# STATEMENTS AND SPEECHES

## Changes in World Trade and Investment

Speech by Mrs. Sylvia Ostry, Ambassador  
for Multilateral Trade Negotiations,  
to the 25th Anniversary Conference  
of the Atlantic Institute for  
International Affairs



BRUSSELS, BELGIUM

November 20, 1986

Canada





THE TOPIC ASSIGNED ME UNDER THE UMBRELLA THEME OF THIS CONFERENCE -- MANAGING ENTRY INTO THE 21ST CENTURY -- IS SO IMMENSE THAT I WAS FORCED TO MAKE A VERY DIFFICULT CHOICE. THE OPTIONS WERE TO PRESENT A BROAD BRUSH SKETCH OF THE ENTIRE TERRAIN SPANNING THE COMPLEX NEXUS OF TRADE, CAPITAL FLOWS AND EXCHANGE RATES OR CHOOSE A SMALLER PIECE OF THE TERRITORY FOR MORE DETAILED MAPPING. OBVIOUSLY RISKS ATTACH TO BOTH OPTIONS. I, (ON THE SOUND ECONOMIC PRINCIPLE OF DIVISION OF LABOUR HAVING NOTED THE NAMES OF MY DISCUSSANTS) CHOSE THE LATTER COURSE AND WILL CONCENTRATE ON THE LIKELY EVOLUTION OF THE MULTILATERAL TRADING SYSTEM HIGHLIGHTING THOSE ASPECTS WHICH DIRECTLY OR INDIRECTLY IMPACT ON INVESTMENT FLOWS. BUT IN DOING SO, I INTEND TO TOUCH ON SOME OF THE BROADER MACRO ISSUES TO REMIND MYSELF -- AND YOU -- THAT THE INTERRELATIONSHIPS BETWEEN THE MULTILATERAL TRADING SYSTEMS AND THE INTERNATIONAL MONETARY SYSTEM FORM THE BROAD BACKDROP AGAINST WHICH THE MORE MICRO ISSUES I SHALL TREAT MUST BE ASSESSED. I EXPECT THAT MANY OF THESE CROSS-LINKAGES WOULD ALSO BE TAKEN UP IN OUR GENERAL DISCUSSION.

#### THE URUGUAY ROUND

THE BEST JUMPING-OFF PLACE FOR EXPLORING THE FUTURE EVOLUTION OF WORLD TRADE IS THE MEETING OF THE GATT

CONTRACTING PARTIES AT PUNTA DEL ESTE THIS PAST SEPTEMBER WHICH LAUNCHED THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS: A ROUND TO ESTABLISH THE MULTILATERAL RULES OF THE ROAD FOR TRADE INTO THE 21ST CENTURY. WHILE CLEARLY NO ONE AT THIS STAGE CAN ANSWER WITH ANY DEGREE OF ASSURANCE THE QUESTION "WHAT ARE THE LIKELY PROSPECTS FOR THE ROUND?", AN ASSESSMENT OF THE PROCESS AND OUTCOME OF PUNTA AT LEAST REVEALS THE KEY DIMENSIONS OF THE QUESTION AND SHOULD PROVIDE SOME GUIDANCE TO APPROPRIATE POLICY.

IT IS IMPORTANT TO UNDERSTAND THAT THE ECONOMIC AND POLITICAL MISE EN SCENE FOR THE PUNTA MEETING COULD NOT HAVE BEEN LESS PROPITIOUS. THE MULTILATERAL TRADING SYSTEM HAS BEEN STEADILY ERODED BY THE NEW PROTECTIONISM OF THE 1970'S, I.E. FORMS OF DOMESTIC OR BORDER NON-TARIFF MEASURES SPAWNED BY A CONTINUING RESISTANCE TO ADAPT TO STRUCTURAL CHANGE. BUT DURING THE 1980'S THE NEW PROTECTIONISM WAS FED AS WELL BY A MORE VIRULENT VIRUS -- THE PRESSURES EMANATING FROM THE GROSS AND GROWING IMBALANCES IN THE WORLD ECONOMY.

SUCH IMBALANCES CAN BE ILLUSTRATED IN A VARIETY OF WAYS BUT THEIR KEY INTERNATIONAL MANIFESTATION IS BEST CAPTURED BY THE PRESENT AND PROSPECTIVE PATTERN OF CURRENT ACCOUNT POSITIONS ALTHOUGH THIS PATTERN IS ITSELF THE

RESULT OF THE CONFIGURATION OF MACROECONOMIC POLICIES AND EXCHANGE RATES AMONG THE LARGEST OECD COUNTRIES. THE FOCUS OF ATTENTION IN TERMS OF THE THREAT OF PROTECTIONISM HAS, UNTIL VERY RECENTLY, BEEN ALMOST ENTIRELY ON THE U.S. DEFICIT AND THE DECLINE IN AMERICAN COMPETITIVENESS CONSEQUENT ON THE ENORMOUS RISE IN THE VALUE OF THE DOLLAR. HOWEVER, SINCE THE VERY SUBSTANTIAL REALIGNMENT OF EXCHANGE RATES WHICH BEGAN EARLY IN 1985 POLICY DEBATE HAS BEGUN TO CENTRE ON THE QUESTIONS OF THE SUSTAINABILITY OF THE PRESENT AND PROSPECTIVE PATTERN I.E. THE RISK OF A MAJOR DISCONTINUITY IN WORLD ECONOMIC DEVELOPMENTS (AN EXCHANGE RATE CRISIS; A MAJOR ASSAULT ON THE TRADING SYSTEM; A SHARP WORLDWIDE RECESSION) AND THUS ON THE APPROPRIATE POLICIES OF THE MAJOR COUNTRIES TO ENSURE AN ORDERLY REDUCTION OF THE IMBALANCES OVER THE MEDIUM TERM WHILE MINIMIZING THE ADVERSE EFFECTS ON WORLD GROWTH.

AS YOU WELL KNOW THIS DEBATE REMAINS UNRESOLVED AND IT IS NOT MY PURPOSE TO ENGAGE IT IN THIS PAPER. WHAT IS, HOWEVER, DIRECTLY RELEVANT TO TODAY'S DISCUSSION IS THAT BECAUSE OF THE PERSISTENCE AND SIZE OF THE IMBALANCES AT SOME DATE IN THE FUTURE THE UNITED STATES WILL BE RUNNING A TRADE SURPLUS. AS MARTIN FELDSTEIN HAS EMPHASIZED "THE INEVITABILITY OF THIS TRADE REVERSAL -- DOES NOT DEPEND ON FUTURE POLICY DECISIONS"<sup>(1)</sup> BUT, OF



COURSE, THE TIMING, NATURE AND SIZE OF THE SHIFT OBVIOUSLY DO. IN TERMS OF THE FUTURE OF THE WORLD TRADING SYSTEM WHAT MUST BE KEPT IN MIND IN THE APPROACH TO RESTORING A MORE SUSTAINABLE PATTERN OF CURRENCY ACCOUNT POSITIONS IS THAT THE PRIMARY THREAT OF PROTECTIONIST PRESSURE WILL INEVITABLY SHIFT FROM THE UNITED STATES TO THE DEFICIT COUNTRIES OF THE 1990's.

SO MUCH FOR THE ECONOMIC LANDSCAPE. IN POLITICAL TERMS, THE BACKDROP TO PUNTA WAS PERHAPS EVEN LESS AUSPICIOUS. THE PROTECTIONIST FURY OF THE U.S. CONGRESS, DANGEROUS IN ITSELF, HAD EXPOSED A MORE FUNDAMENTAL PROBLEM -- THE RAPIDLY ERODING DOMESTIC SUPPORT FOR MULTILATERALISM IN THE UNITED STATES. IN THE ABSENCE OF U.S. LEADERSHIP, NO ALTERNATIVE GUARDIAN OF THE SYSTEM IS WAITING IN THE WINGS. INDEED, AS I HAVE NOTED, LOOKING TO THE NOT-SO-DISTANT FUTURE WHEN THE PROTECTIONIST PPESSURE EMANATING FROM CURRENT ACCOUNT IMBALANCES SHIFTS FROM THE U.S. TO HER MAJOR TRADING PARTNERS, IS THE REMARKABLE RESISTANCE SHOWN THUS FAR BY THE U.S. ADMINISTRATION TO MORE SWEEPING PROTECTIONIST MOVES LIKELY TO BE DUPLICATED BY COUNTRIES WITH A MORE AMBIVALENT (LESS "IDEOLOGICAL") COMMITMENT TO AN OPEN TRADING SYSTEM?

DESPITE THIS INCREASINGLY CLEAR AND DAUNTING PROSPECT THE U.S. HAD BEEN UNABLE TO LAUNCH A NEW GATT ROUND AFTER FOUR YEARS OF STRENUOUS EFFORT. OVER THIS TIME THE AMERICAN POSITION WAS VISIBLY TRANSFORMED FROM LEADER TO DEMANDEUR WHICH AFFECTED THE OUTCOME OF PUNTA AND MAY WELL INFLUENCE THE RESULTS OF THE ROUND ITSELF.

ONE EFFECT OF THE LONG DELAY IN LAUNCHING THE ROUND WAS, AS I HAVE NOTED, TO ALLOW A DANGEROUS BUILD-UP OF PROTECTIONIST FURY IN THE U.S. ALSO, BECAUSE OF THE LONG DELAY, IT WAS AMPLY EVIDENT TO ALL BY MID-SEPT. 1986, THAT UNLESS THERE WAS SOME SUSTAINED PROGRESS IN IMPROVING INTERNATIONAL COOPERATION IN MACRO ECONOMIC POLICY A ROUND WAS HARDLY LIKELY TO BE COMPLETED. THUS, THERE WAS A REMARKABLE DEGREE OF AGREEMENT AT PUNTA THAT THERE HAD TO BE PARALLEL PROGRESS ON BOTH FRONTS -- A TALL ORDER, BUT A REALISTIC ONE.

THERE ARE TWO WAYS OF EVALUATING THE IMPACT OF THIS GLOOMY BACKDROP ON THE OUTCOME OF PUNTA AND PROSPECTS FOR THE ROUND. ONE COULD ARGUE THAT CETERIS PARIBUS THE LATER THE LAUNCH OF THE ROUND THE GREATER THE RISK OF FAILURE BECAUSE OF THE BUILD UP OF PROTECTIONIST PRESSURES

AND THE GLOBAL IMBALANCES FEEDING THEM. OR, ONE COULD ARGUE THE DR. JOHNSON THESIS OF DECISION-MAKING, I.E., THE FEAR OF BEING HANGED IN THE MORNING CONCENTRATES THE MIND WONDERFULLY. ON THESE GROUNDS, THE DELAY WAS BENEFICIAL IN FORCING AGREEMENT.

I AM INCLINED TO THE FIRST VIEW BUT THAT IS PROBABLY A MATTER MORE OF TASTE THAN JUDGMENT. THE ESSENTIAL FACT TO STRESS IS THAT THE TIMING OF THE LAUNCH WAS NOT A STRATEGIC ELEMENT IN THE TRADE POLICY OF THE U.S. OR, INDEED, ANY OF THE MAJOR TRADING POWERS.

RATHER, AN HISTORICAL ACCOUNT OF THE PERIOD FROM NOV. '82 (THE LAST GATT MINISTERIAL) WOULD SUGGEST THAT THE TIMING OF THE LAUNCH WAS LARGELY DETERMINED BY THE POLICY FORMULATION PROCESS, WITH ALL ITS ATTENDANT POLITICAL AND INSTITUTIONAL COMPLEXITY, OF THE EUROPEAN COMMUNITY. THE OSTENSIBLE REASON FOR DELAY -- THE OPPOSITION OF A SMALL GROUP OF DEVELOPING COUNTRIES LED BY BRAZIL AND INDIA WHO OPPOSED (ON LEGAL GROUNDS) THE INCLUSION OF THE SO-CALLED NEW ISSUES OF SERVICES, INTELLECTUAL PROPERTY AND INVESTMENT -- COULD NOT REALISTICALLY HAVE PREVENTED A NEGOTIATION OF THESE SUBJECTS (FOR EXAMPLE ON A CONDITIONAL MFN CODE BASIS À LA

THE TOKYO ROUND) IF THE E.C. HAD DECIDED ON AN EARLIER LAUNCH. POLICY DIVISIONS AMONG MEMBER STATES ABOUT AGRICULTURE AND SOME ASPECTS OF THE SERVICES QUESTION NECESSITATED A CAREFUL, CAUTIOUS AND INEVITABLY RATHER LENGTHY PROCESS OF POLICY FORMULATION. PERHAPS, IN ADDITION, A MORE FUNDAMENTAL DIFFERENCE UNDERLIES THE TRANSATLANTIC DIVISION OVER STRATEGY -- THE BASICALLY DIFFERENT WELTANSCHAUNG THAT SEPARATES A CHARY, SCEPTICAL, CONSENSUS - SEEKING EUROPE AND AN IMPATIENT, BULLISH, CAN-DO AMERICA.

THESE HISTORICAL AND CULTURAL DIFFERENCES ARE NOT NEW, OF COURSE. THEIR SIGNIFICANCE, IN A WORLD THAT LACKS AN UNDISPUTED HEGEMON, IS VERY DIFFERENT, HOWEVER, THAN IT WAS IN THE PAST. AND THAT DIFFERENCE IS AMPLIFIED BY THE NATURE OF THE THIRD "BLOC" OF THE DEVELOPED WORLD TRIAD -- JAPAN -- WHOSE MAIN STRATEGY VIS-A-VIS THE MTN IN THE PAST SEVERAL YEARS WAS TO SUPPORT THE U.S. POSITION WHILE TRYING TO CONTAIN MOUNTING BILATERAL FRICTION WITH BOTH THE U.S. AND, INCREASINGLY FORCEFULLY, THE E.C. -- IN OTHER WORDS, NOT TO GET TOO FAR OUT FRONT. THE LONG PATH TO PUNTA -- AND, TO SOME EXTENT, ALSO ITS OUTCOME -- REFLECTED THE NATURE OF POWER-SHARING AS WELL AS THE INTERDEPENDENCE OF TODAY'S WORLD.



LET ME NOW MOVE FROM THE BACKGROUND TO THE OUTPUT OF PUNTA -- FROM THE "BAD NEWS" TO THE "GOOD NEWS". THE MINISTERIAL DECLARATION TO LAUNCH THE URUGUAY ROUND EMBRACED AN AGENDA FOR THE MOST COMPREHENSIVE AND AMBITIOUS MULTILATERAL NEGOTIATION IN THE HISTORY OF GATT. FIRST I'D LIKE BRIEFLY TO HIGHLIGHT THE MAIN FEATURES OF THE DECLARATION BEFORE EXPLORING THE OBVIOUS QUESTION WHICH MUST BE IN YOUR MINDS: "HOW --BY WHAT PROCESS-- DID SUCH INFERTILE GROUND BEAR SUCH BOUNTEOUS FRUIT?" THE ANSWER TO THIS QUESTION, I.E., AN ASSESSMENT OF THE PROCESS OF ACHIEVING CONSENSUS AT PUNTA, PERMITS AT LEAST A PRELIMINARY JUDGMENT ABOUT PROSPECTS FOR THE ROUND.

AS I HAVE SAID, THE AGENDA AND MODALITIES OF THE URUGUAY ROUND ARE UNIQUELY COMPREHENSIVE AND AMBITIOUS. AS EXAMPLES, THE DECLARATION:

-- GREATLY STRENGTHENS THE NON-TRADITIONAL STANDSTILL AND ROLLBACK COMMITMENT NOT ONLY BY DETAILED SPECIFICATION BUT, MORE IMPORTANTLY, THROUGH IMPLEMENTATION OF A MULTILATERAL SURVEILLANCE MECHANISM TO BE ESTABLISHED BY THE TRADE NEGOTIATIONS COMMITTEE

- INCLUDES, FOR THE FIRST TIME SINCE THE ESTABLISHMENT OF THE GATT, SPECIFIC OBJECTIVES FOR THE NEGOTIATION OF AGRICULTURE WHICH EMBRACE NOT ONLY IMPROVED MARKET ACCESS BUT THE APPLICATION OF MULTILATERAL DISCIPLINES TO THE USE OF ALL DIRECT AND INDIRECT SUBSIDIES AND OTHER MEASURES WHICH DISTORT TRADE
  
- SPECIFIES THE LINKAGE BETWEEN A RENEGOTIATED SAFEGUARDS (OR EMERGENCY IMPORT) CLAUSE AND STRUCTURAL ADJUSTMENT, INCLUDING A MECHANISM FOR WHAT COULD BECOME REGULARIZED MULTILATERAL SURVEILLANCE OF EACH COUNTRY'S TRADE AND RELATED POLICIES. THE OUTCOME OF NEGOTIATIONS ON THIS ITEM OF THE AGENDA WILL DETERMINE THE FUTURE EXTENT AND NATURE OF MANAGED TRADE OR THE NEW PROTECTIONISM
  
- INCLUDES ALL THE "NEW ISSUES": INTELLECTUAL PROPERTY; TRADE-RELATED INVESTMENT MEASURES AND  
-- BY A NEAT PROCEDURAL SLEIGHT OF HAND SO DEAR TO THE OLD GATT HANDS -- TRADE IN SERVICES (A SUBJECT TO WHICH I WILL RETURN)

-- SPECIFIES, IN ADDITION TO NEW AND ENHANCED SURVEILLANCE CAPACITY, A SERIES OF INSTITUTION-BUILDING AND RULE-MAKING MEASURES TO REINFORCE AND EXTEND THE MANDATE OF THE GATT, AND TO FORMALIZE INSTITUTIONAL LINKS BETWEEN THE GATT, THE IMF AND THE WORLD BANK. IT'S WORTH NOTING THAT THESE PARTICULAR AGENDA ITEMS SHOULD BE VIEWED AS A FORM OF "PUBLIC GOOD" AND, AS SUCH, WILL NOT BE SUBJECT TO THE TRADITIONAL NEGOTIATING PRINCIPLE OF RECIPROCITY. IF THEY ARE TO BE SUCCESSFULLY NEGOTIATED, IT WILL REQUIRE GOVERNMENTAL COMMITMENT DIFFERENT IN BOTH DEGREE AND KIND FROM THAT OF ANY PREVIOUS NEGOTIATION. WITHOUT SUCH STRENGTHENING, HOWEVER, THE GATT WILL BE UNABLE TO PLAY AN EFFECTIVE ROLE IN THE INCREASINGLY INTERDEPENDENT WORLD OF THE FUTURE IN WHICH THE INTERRELATIONSHIP AMONG THE MAIN DYNAMIC FORCES SHAPING THE WORLD ECONOMY WILL REQUIRE MUCH MORE COORDINATED POLICY MAKING AMONG THE MULTILATERAL INSTITUTIONS.

ARE THOSE HIGHLIGHTS SUFFICIENT TO MERIT THE FINANCIAL TIMES LEADER SUMMING UP THE RESULTS OF PUNTA AS "THE KISS OF LIFE FOR THE GATT?" OBVIOUSLY IT'S TOO EARLY

TO RESPOND TO SUCH A QUESTION BUT, AS I'VE SAID, I'D LIKE TO APPROACH AN ANSWER BY A POST-MORTEM OF THE PROCESS OF ACHIEVING CONSENSUS ON THE MINISTERIAL DECLARATION.

ONE KEY TO THE PROCESS AT PUNTA WAS THE FORMATION AND ROLE OF WHAT I WOULD CALL STRATEGIC ALLIANCES I.E. SINGLE INTEREST LOBBIES OF COUNTRIES OUTSIDE THE BIG THREE BLOCS. THE EFFECTIVENESS OF SUCH ALLIANCES DEPENDED, HOWEVER, ON EXPLOITING DIVISIONS AMONG THE BLOCS -- ALTHOUGH IN THE EVENT ONLY THE U.S./E.C. DIVISIONS MATTERED.

THE TWO MAJOR UNRESOLVED ISSUES AT PUNTA WERE AGRICULTURE AND SERVICES (THE TWO OTHER NEW ISSUES TURNED OUT TO BE LESS CONTENTIOUS ON THE GROUND BUT, CERTAINLY IN THE CASE OF INVESTMENT, LIKELY TO PROVE VERY DIFFICULT DURING THE NEGOTIATIONS). THE RESOLUTION OF BOTH ILLUSTRATE THE ROLE OF STRATEGIC ALLIANCES IN MANEUVERING IN THE INTERSTICES OF BLOC DIVISIONS.

IN THE CASE OF AGRICULTURE THE AUSTRALIANS HAD TAKEN THE LEAD BY FORMING A GROUP OF FOURTEEN COUNTRIES, DEVELOPED AND DEVELOPING, BUT EXCLUDING THE BIG THREE. THE GROUP WAS LAUNCHED AT THE END OF AUGUST AT A MEETING AT CAIRNS, AUSTRALIA. THE CAIRNS DECLARATION WAS MUCH



STRONGER THAN THE MAJORITY DRAFT WHICH CAME OUT OF GENEVA AT THE CONCLUSION OF THE PREPARATORY PROCESS -- A MAJORITY WHICH DID NOT INCLUDE THE EC BUT EMBRACED ALL THE MODERATE LDC'S SMALLER EUROPEAN COUNTRIES, CANADA, THE U.S. AND JAPAN.

THE ROLE OF THE CAIRNS GROUP, WHICH OPERATED THROUGHOUT THE WEEK IN PUNTA, WAS TO MEDIATE BETWEEN THE U.S. AND THE E.C. BY BARGAINING AWAY ITS DELIBERATELY EXTREME DEMANDS AND ENABLE THE E.C. TO ACCEPT THE MAJORITY POSITION. THE FINAL DECLARATION (AGREED JUST AFTER MIDNIGHT ON FRIDAY, THE LAST DAY) PROVED EQUAL TO OR EVEN SOMEWHAT STRONGER THAN THE MAJORITY POSITION. ONE IMPORTANT ASPECT OF THE CAIRNS GROUP WAS ITS "NORTH/SOUTH" COMPOSITION -- ESPECIALLY THE INCLUSION OF ARGENTINA, A MEMBER OF THE HARDLINE LDC'S.

ON THE SERVICES ISSUE THE STRATEGIC ALLIANCE WAS THE SO-CALLED G10, THE HARDLINE LDC'S LED BY BRAZIL AND INDIA. HERE, THE ROLE OF THE EC WAS CRUCIAL IN ACHIEVING CONSENSUS THEREBY AT LEAST POTENTIALLY ENHANCING THE POWER OF A RATHER ODDLY ASSORTED GROUP (BRAZIL, INDIA, CUBA, NICARAGUA, EGYPT, PERU, TANZANIA, YUGOSLAVIA, NIGERIA AND ARGENTINA) TOGETHER ACCOUNTING FOR ABOUT 5% OF WORLD TRADE.

THE E.C. PROPOSAL WHICH BROKE THE DEADLOCK OVER SERVICES EARLY ON SATURDAY MORNING WAS A CLEVER GIMMICK WHICH ENABLED SERVICES TO BE NEGOTIATED DURING THE ROUND BUT LEFT OPEN THE QUESTION OF GATT COMPETENCE - A TWO TRACK APPROACH -- INSIDE THE GATT FOR GOODS, OUTSIDE THE GATT FOR SERVICES -- BUT UNDER ONE OVERALL NEGOTIATING COMMITTEE AND WITHIN THE SAME TIME FRAME.

THIS WAS PROPOSED -- AND ACCEPTED -- AS A FACE-SAVER FOR THE U.S., ON THE ONE HAND, AND THE G-10 ON THE OTHER. INDEED, ALL WENT HOME DECLARING VICTORY.

IT'S VERY IMPORTANT IN ASSESSING THE IMPLICATIONS OF THIS COMPROMISE TO BE AWARE OF WHAT WERE THE REAL ISSUES IN THE "NEW ISSUES" DEBATE. THE LEGALISM OF GATT COMPETENCE WAS CERTAINLY NOT A REAL ISSUE. THERE WERE, RATHER, TWO BASIC ECONOMIC CONCERNS. ONE HAD TO DO WITH FEAR OF A NEGOTIATED TRADE-OFF BETWEEN GOODS AND SERVICES I.E. FEAR THAT THE DEVELOPED COUNTRIES WON'T OPEN THEIR MARKETS FOR BRAZILIAN AND INDIAN GOODS WITHOUT A QUID PRO QUO FOR SOME SERVICE PENETRATION INTO THE BRAZILIAN AND INDIAN DOMESTIC MARKETS. THE SECOND IS RELATED TO A FUNDAMENTAL DIFFERENCE IN ATTITUDE ABOUT THE RESPECTIVE ROLE OF GOVERNMENTS AND MARKETS IN THE DEVELOPMENT PROCESS. IN THE VIEW OF BRAZIL AND INDIA SOME OF THE KEY

SERVICE INDUSTRIES -- TELECOMMUNICATIONS AND FINANCIAL SERVICES, FOR EXAMPLE -- ARE VIEWED AS THE "COMMANDING HEIGHTS" (TO USE THE OLD MARXIST PHRASE) OR INFANT INDUSTRIES (IN TRADE PARLANCE) OF FUTURE GROWTH AND DEVELOPMENT AND THEREFORE MUST BE REGULATED AND GUIDED BY GOVERNMENT. MOREOVER, ESTABLISHING A MULTILATERAL DISCIPLINE ON SERVICES WILL INEVITABLY INVOLVE DEALING WITH THE INVESTMENT ISSUE WHICH, IN THE VIEW OF THESE TWO COUNTRIES (AND MANY OTHERS), MUST ALSO BE SUBJECT TO A DEGREE OF GOVERNMENT REGULATION AND CONTROL.

THE REAL QUESTIONS -- AS YET UNANSWERABLE -- ARE WHETHER THE TWO TRACK PROPOSAL WILL INDEED PROVIDE SOME INSURANCE AGAINST TRADE-OFFS AND, PERHAPS MORE IMPORTANTLY, HOW THE ISSUE OF GATT COMPETENCE, TO BE CONFRONTED AT THE END OF THE NEGOTIATIONS, WILL AFFECT THE BASIC ECONOMIC QUESTION CENTERING ON THE SCOPE AND NATURE OF THE ROLE OF GOVERNMENT IN THE DEVELOPMENT PROCESS.

WHETHER THE NEGOTIATIONS ON SERVICES -- WHICH MUST, OF COURSE, INCLUDE TRADE-OFFS IN THE FINAL PACKAGE -- CAN SATISFY THE DOMESTIC SERVICE LOBBIES IN THE U.S. AND ELSEWHERE IN THE OECD REMAINS TO BE SEEN. THIS WILL BE CRUCIAL, AT LEAST IN THE U.S., FOR MAINTAINING SUPPORT BY CONGRESS FOR THE ROUND.

THE DEVELOPMENT ISSUE STRIKES ME AS POTENTIALLY EQUALLY IMPORTANT, NOT SIMPLY IN THE GATT CONTEXT, BUT IN THE FUTURE EVOLUTION OF THE FUND/BANK APPROACH TO DEBT, SINCE IT TOUCHES DIRECTLY ON THE WILLINGNESS OR ABILITY OF DEBTOR GOVERNMENTS TO UNDERTAKE DIFFICULT MEDIUM-TERM STRUCTURAL ADJUSTMENT PROGRAMMES AND OVER TIME TO SHIFT, AS THEY MUST DO, AWAY FROM BANK TO EQUITY FLOWS AS A SOURCE OF CAPITAL. IN THIS CONTEXT AN EXCELLENT EXAMPLE OF THE INTERRELATIONSHIP AMONG THE DEBT-DEVELOPMENT-TRADE ISSUES IS THE PROBLEM OF THE SERIOUS INADEQUACY OF FINANCIAL MARKETS IN THE LATIN AMERICAN DEBTOR COUNTRIES, PERHAPS THE PRIME STRUCTURAL IMPEDIMENT TO RESTORATION OF CREDITWORTHINESS AND GROWTH. THESE SHALLOW AND INEFFICIENT MARKETS ARE "THE LEGACY OF FOUR DECADES OF GOVERNMENT PARTICIPATION IN, AND REGULATION OF, FINANCIAL INTERMEDIATION."<sup>(2)</sup> WHILE THE IMPACT OF THESE DEFICIENCIES WERE, IN EFFECT, MASKED DURING THE 1970'S AS THESE COUNTRIES WERE EASILY ABLE TO BORROW AT LOW OR EVEN NEGATIVE INTEREST RATES FROM COMMERCIAL BANKS SUCH IS OBVIOUSLY NOT THE CASE TODAY OR FOR THE FORESEEABLE FUTURE. IMPROVED FINANCIAL MARKETS ARE A SINE QUA NON FOR MOBILISING DOMESTIC SAVINGS, IMPROVING THE EFFICIENCY OF DOMESTIC INVESTMENT AND SECURING NEW CAPITAL AND THE REPATRIATION OF FLIGHT CAPITAL. YET NO TRACE OF THIS



BASIC ISSUE EMERGED DURING THE PROLONGED DEBATE ON THE ISSUE OF SERVICES IN THE GATT ROUND.

SO BEFORE SUMMING UP THE PROSPECTS FOR THE ROUND IT IS WORTHWHILE TO PAUSE HERE AND ANALYSE THE SERVICES AND INVESTMENT ISSUES IN SOMEWHAT GREATER DEPTH FOR, AS I HAVE ALREADY SUGGESTED, THEY ARE NOT ONLY CENTRAL TO THE SUCCESSFUL CONCLUSION OF THE MTN AND THE FUTURE OF THE GATT BUT ALSO HAVE BROADER RELEVANCE FOR THE TOPIC OF THIS SESSION AND THIS CONFERENCE.

THE CONTENTIOUSNESS OF THE SERVICES TRADE ISSUE IS, AT LEAST ON THE SURFACE, PUZZLING SINCE EVEN AT THE MOST SUPERFICIAL LEVEL THE ECONOMIC REASONS FOR ITS INCLUSION IN THE ROUND ARE OVERWHELMING.

THUS, AT PRESENT, SERVICES AMOUNTS TO PERHAPS 25% OF TOTAL WORLD TRADE.<sup>(3)</sup> THIS IS A SUBSTANTIAL SHARE AND SIMPLY BY EXTRAPOLATING PAST GROWTH RATES WOULD ORDAIN A STEADILY WEAKENING AND INCREASINGLY IRRELEVANT GATT THAT CLAIMED NO EFFECTIVE MANDATE OVER TRADE IN SERVICES. WHAT WOULD REPLACE IT WOULD UNDOUBTEDLY BE BILATERAL AND PLURILATERAL ARRANGEMENTS ALREADY ADVOCATED BY A GROWING NUMBER OF SERIOUS OBSERVERS AS A PREFERABLE STRATEGY GIVEN THE PROLONGED BLOCKAGE IN GATT.

ONE SHOULD NOT, HOWEVER, JUDGE THE SIGNIFICANCE OF THE "SERVICE ISSUE" SIMPLY IN TERMS OF TRADE FLOWS OF THIS OR THAT SERVICE INDUSTRY, AS IMPORTANT AS THESE MAY BE. FOR THE MOST PART THE GROWTH OF SERVICE TRADE TO DATE HAS LARGELY REFLECTED THE EXPANSION OF TRADE IN GOODS AND THE GROWTH OF INTERNATIONAL INVESTMENT AND FINANCIAL MARKETS AS A WHOLE.

BUT IF WE LOOK TO THE FUTURE, INSTEAD OF THE PAST, THE SO-CALLED "SERVICES ISSUE" SHOULD BE EVALUATED IN QUITE A DIFFERENT CONTEXT. THE WORLD ECONOMY IS BEING TRANSFORMED BY INFORMATION TECHNOLOGY WHICH HAS BEGUN TO AND WILL CONTINUE TO GENERATE PERVASIVE CHANGE IN THE FUNDAMENTAL "STYLE" OF PRODUCTION AND MANAGEMENT, INVOLVING NEW PRODUCTS, NEW PROCESSES AND NEW INDUSTRIES. A THRESHOLD CHANGE IS UNDERWAY, DESERVING OF THE TERM TECHNOLOGICAL REVOLUTION; COMPARABLE TO THE INTRODUCTION OF ELECTRIC OR STEAM POWER. SADLY, AS WAS THE CASE IN THE EXAMPLE OF THE ROLE OF FINANCIAL MARKETS IN GROWTH AND DEVELOPMENT, THE PROLONGED DEBATE IN THE GATT ON SERVICES HAS FOCUSED ON STERILE PROCEDURAL AND LEGAL ISSUES, NEVER CONFRONTING THE IMPLICATIONS OF THESE FUNDAMENTAL CHANGES.

WHEN VIEWED IN THE CONTEXT OF THE INFORMATION TECHNOLOGY REVOLUTION THE FUTURE ROLE OF THE SERVICES SECTOR IN THE WORLD ECONOMY TAKES ON A RADICALLY DIFFERENT DIMENSION. THUS WHILE THE REVOLUTION BEGAN IN THE MANUFACTURING SECTOR IN A CLUSTER OF TECHNOLOGICAL ADVANCES (MICRO ELECTRONICS, FIBRE OPTICS, COMMUNICATIONS AND COMPUTER TECHNOLOGY) THE MAIN ENGINE OR MOTIVE BRANCH OF THE LEADING EDGE TRANSFORMATION IS FAST BECOMING THE SERVICE SECTOR ITSELF AS THE SHIFT FROM "HARD" TO "SOFT" TECHNOLOGIES ACCELERATES. MOREOVER, INHERENT IN A TECHNOLOGY CENTERED ON RAPID TRANSMISSION OF INFORMATION IS A TREND TO GREATER INTERNATIONAL INTEGRATION OF PRODUCTION, SERVICES AND MARKETS (ONE EFFECT OF WHICH, BY THE WAY, WILL MAKE THE DISTINCTION BETWEEN SECONDARY AND TERTIARY SECTORS INCREASINGLY MEANINGLESS.) THIS FACTOR WILL AMPLIFY THE ALREADY CLOSE RELATIONSHIP BETWEEN TRADE IN SERVICES AND INVESTMENT FLOWS. EVEN NOW, BECAUSE OF THE NON-STORABLE NATURE OF MOST SERVICES, FOREIGN DIRECT INVESTMENT HAS BEEN A MORE IMPORTANT MODE OF DELIVERING SERVICES TO FOREIGN MARKETS THAN HAS TRADE.<sup>(4)</sup> BUT AN INCREASING TREND TO INTERNATIONAL INTEGRATION IS LIKELY, AT LEAST FOR A TIME, TO ENHANCE THE ROLE OF THE MULTINATIONAL ENTERPRISE AS A PRIME "CARRIER" OF LEADING EDGE TECHNOLOGY. WHAT RAY VERNON TERMS THE "MULTINATIONALISATION" OF THE WORLD ECONOMY CASTS A

DIFFERENT LIGHT ON THE TRADE-INVESTMENT LINKAGE. TO MAXIMISE THE BENEFITS FROM LIBERALIZING TRADE IN SERVICES WILL REQUIRE REDUCING IMPEDIMENTS TO FOREIGN DIRECT INVESTMENT WHICH, INCREASINGLY, WILL BECOME THE MAJOR VEHICLE FOR THE TRANSFER OF LEADING EDGE TECHNOLOGY AND, EQUALLY IMPORTANT, THE MANAGEMENT ORGANISATIONAL CHANGES NECESSARY TO IMPLEMENT IT.<sup>(5)</sup> IT'S WORTH NOTING THAT THE SAME COUNTRIES WHO OPPOSED INCLUSION OF TRADE IN SERVICES IN THE GATT ROUND FOUGHT STRENUOUSLY AGAINST THE AGENDA ITEM RELATED TO DEVELOPING MULTILATERAL DISCIPLINES GOVERNING TRADE RELATED INVESTMENT MEASURES (TRIMS) SUCH AS DOMESTIC CONTENT SOURCING OR IMPORT RULES, AND VARIOUS OTHER "PERFORMANCE REQUIREMENTS" REGULATED BY HOST COUNTRY GOVERNMENTS. WHILE THE IMPACT TO DATE OF TRIMS AND RELATED INVESTMENT INCENTIVES OR DISINCENTIVES ON EITHER THE LEVEL OR PATTERN OF FDI FLOWS IS DIFFICULT TO ASSESS<sup>(6)</sup> THEY ARE LIKELY TO BECOME INCREASINGLY DISTORTIVE IN THE FUTURE.

FINALLY, AS IS ALWAYS THE CASE IN A TECHNOLOGICAL REVOLUTION -- WHAT SCHUMPETER APTLY CALLED "CREATIVE GALES OF DESTRUCTION" -- INFORMATION TECHNOLOGY CREATES THE POTENTIAL FOR A "QUANTUM LEAP" IN OVERALL PRODUCTIVITY CONTINGENT ON THE PERVASIVE STRUCTURAL CHANGE NECESSARY FOR ITS DIFFUSION THROUGHOUT ALL INDUSTRIES. AGAIN,



LOOKING TO THE FUTURE, ACCESS TO THIS NEW GENERIC TECHNOLOGY AND THE FLOWS OF CAPITAL BY WHICH IT WILL IN THE MAIN BE TRANSFERRED WILL DOUBTLESSLY BECOME A PRIME DETERMINANT OF GROWTH AND DEVELOPMENT AROUND THE WORLD. IN THE CASE OF THE DEVELOPING COUNTRIES THE IMPACT WILL BE ESPECIALLY IMPORTANT SINCE THE NEW TECHNOLOGY IS BOTH LABOUR, ENERGY AND MATERIAL SAVING AND WILL THEREFORE EXACERBATE THEIR ALREADY DETERIORATING TERMS OF TRADE. REDUCED ACCESS TO TECHNOLOGY AND INVESTMENT FLOWS INHERENT IN AN "INFANT INDUSTRY" APPROACH TO STRATEGIC SERVICE INDUSTRIES WILL INEVITABLY EXACERBATE THE ALREADY LARGE DISPARITY IN GROWTH RATES AS BETWEEN THE MARKET-ORIENTED ASIAN NIC'S AND OTHER LDC'S AND, INDEED, AMONG THE INDUSTRIALIZED COUNTRIES AS WELL.

NEGOTIATING TRADE IN SERVICES WITHIN THE GATT WILL INVOLVE GRAPPLING WITH EXTREMELY CONTENTIOUS ISSUES NOT ONLY INVOLVING DEVELOPING COUNTRIES BUT ALSO THE COUNTRIES OF THE INDUSTRIALIZED WORLD. SERVICES ARE EVERYWHERE SUBJECT TO VARYING DEGREES OF GOVERNMENT REGULATION (ALTHOUGH LEAST OF ALL IN THE UNITED STATES) AND THUS IMPINGE DIRECTLY ON SENSITIVE ISSUES OF NATIONAL SOVEREIGNTY AND AU FOND FUNDAMENTALLY DIFFERING VIEWS OF THE ROLE OF GOVERNMENT. BUT IT BEARS REPEATING THAT THE CHOICE CONFRONTING GOVERNMENTS IS NOT BETWEEN GATT

NEGOTIATION AND NO NEGOTIATION BUT BETWEEN ESTABLISHING MULTILATERAL DISCIPLINES GOVERNING THE FLOW OF SERVICES -- AND TRADE-RELATED INVESTMENT -- OR A SERIES OF BILATERAL OR PLURILATERAL AGREEMENTS WHICH MAY WELL PROVE MORE PRACTICABLE AND EFFICIENT TO THE COUNTRIES CONCERNED BUT WILL INEVITABLY ERODE IN A SERIOUS AND POSSIBLY IRREVERSIBLE FASHION THE RELEVANCE AND EFFECTIVENESS OF THE MULTILATERAL SYSTEM ITSELF.

NOW, TO RETURN AFTER THIS RATHER LENGTHY DIGRESSION, WHAT DOES THE PUNTA POST-MORTEM TELL US ABOUT THE PROSPECTS FOR THE URUGUAY ROUND AND THE CHALLENGING TITLE OF THIS CONFERENCE -- MANAGING ENTRY INTO THE TWENTY-FIRST CENTURY?

YOU WILL NOT BE SURPRISED IF I GIVE YOU A TWO-HANDED ECONOMIST'S ANSWER.

ON THE ONE HAND, THE FAR LARGER NUMBER OF PLAYERS IN THIS ROUND AND THE FAR LARGER NUMBER OF ISSUES ALLOWS -- AS I HAVE NOTED IN DESCRIBING THE PROCESS -- THE CREATION OF A RANGE OF STRATEGIC ALLIANCES DURING THE COURSE OF THE NEGOTIATION. WHILE I'M CERTAINLY NO GAME THEORIST, THIS POSSIBILITY, IN A WORLD WITHOUT AN UNDISPUTED HEGEMON, SEEMS TO ME POTENTIALLY TO ENLARGE THE

POSSIBILITY OF A REASONABLY SATISFACTORY FINAL PACKAGE, I.E. CREATES THE CONDITIONS FOR A POSITIVE SUM GAME. OBVIOUSLY IT CREATES FOR MIDDLE POWERS A RANGE OF OPPORTUNITIES IN SELECTING PARTNERS ON AN ISSUE-SPECIFIC BASIS TO ENHANCE NEGOTIATING LEVERAGE VIS-À-VIS THE BIG POWERS. THERE SHOULD BE MORE ANALYSIS OF THE ROLE FOR MIDDLE POWERS IN A MULTI POLAR WORLD. IT SEEMS TO ME THAT WHILE THE BIG POWERS CAN BLOCK ACTION THEY SEEM UNABLE, ESPECIALLY WHEN DIVIDED BY POLITICAL, CULTURAL AND DEEP-SEATED ECONOMIC DIFFERENCES, TO CATALYSE CHANGE.

THE DANGER OF A PROCESS BASED MAINLY ON STRATEGIC DEPLOYMENT OF ISSUE-SPECIFIC COALITIONS IS, HOWEVER, THE SAME AS THAT ARISING FROM THE ROLE OF INTEREST GROUP LOBBIES IN DOMESTIC POLICY MAKING I.E. FREE RIDING. IN OTHER WORDS, IN SUCH A PROCESS THERE IS NO GUARDIAN OF THE SYSTEM -- THE INTERNATIONAL PUBLIC GOOD. WHAT SINGLE INTEREST COALITION WOULD FOCUS ON SUCH SYSTEMIC ISSUES AS STRENGTHENING THE GATT SECRETARIAT TO ENABLE IT TO CATALYSE POLICY DISCUSSION ON THE LINKS BETWEEN TRADE POLICY AND STRUCTURAL ADJUSTMENT IN BOTH DEVELOPED AND DEVELOPING COUNTRIES; THE IMPACT OF EXCHANGE RATES ON TRADE AND CAPITAL FLOWS; THE ROLE OF SERVICES IN DEVELOPMENT AND THE PROVISION OF STATISTICAL AND ANALYTICAL ASSISTANCE TO DEVELOPING COUNTRIES IN THIS

CRUCIAL FIELD; THE IMPACT OF TRIM'S ON INTERNATIONAL TRADE AND INVESTMENT LEVELS AND PATTERNS, ETC.? WHAT INTEREST-SPECIFIC COALITION WOULD PLACE THEIR HIGHEST PRIORITY ON ESTABLISHING A PERMANENT GATT MINISTERIAL FORUM (COMPARABLE TO THE INTERIM OR DEVELOPMENT COMMITTEES) TO ENSURE REGULAR COMMUNICATION BETWEEN TRADE AND FINANCE MINISTERS ON MULTILATERAL PROBLEMS AND POLICIES TO ENSURE -- JUST TO TAKE ONE EXAMPLE -- THAT A COHERENT EVOLUTION OF THE STRUCTURAL ADJUSTMENT FOCUS OF THE BAKER PLAN REQUIRES NOT ONLY ENHANCED BANK-FUND COOPERATION BUT INSTITUTIONALLY REGULARISED GATT INPUT SO THAT TRADE IN FINANCIAL SERVICES WOULD BE A KEY ELEMENT IN MEDIUM TERM POLICY PLANNING?

THUS, AND THIS IS MY OTHER HAND, THE CONDUCT OF THE NEGOTIATIONS IN GENEVA ESSENTIAL FOR A SUCCESSFUL CONCLUSION TO THE ROUND WILL DEMAND A STRATEGIC AND FORWARD-LOOKING APPROACH TO TRADE POLICY ON THE PART OF ALL PARTICIPATING GOVERNMENTS, AND ESPECIALLY THE LARGE POWERS, WHICH, ALAS, HAS NOT BEEN CHARACTERISTIC OF THEIR TRADE POLICIES OF THE PAST DECADE OR MORE. FURTHER, THE DEMANDS IMPOSED BY GROWING INTERNATIONAL INTERDEPENDENCE WILL REQUIRE A CONTINUING DEGREE OF INTERNATIONAL ECONOMIC COORDINATION OF BOTH MACRO AND MICRO POLICIES SO FAR NOT EVIDENT IN MULTILATERAL POLICY-MAKING. CLEARLY THE



ABSENCE OF AN UNDISPUTED LEADER AMONG THE INDUSTRIALIZED COUNTRIES MAKES THE TASK OF STRENGTHENING INTERNATIONAL COOPERATION MORE DIFFICULT, ALTHOUGH RECENT DEVELOPMENTS IN THE INTERNATIONAL MONETARY SPHERE PROVIDE SOME GROUNDS FOR MODEST OPTIMISM. THE CONDUCT OF THE URUGUAY ROUND WILL PROVIDE A REAL LIFE EXPERIMENT TESTING THE CAPACITY OF THE MAJOR ECONOMIC POWERS TO EFFECTIVELY MANAGE ENTRY INTO THE 21ST CENTURY IN A MULTI POLAR WORLD. THE OUTCOME OF PUNTA WAS CERTAINLY NOT "TOO LITTLE". THE CHALLENGE WILL BE TO ENSURE IT WAS NOT "TOO LATE".

## FOOTNOTES

- (1) MARTIN FELDSTEIN, "THE IMPACT OF ECONOMIC POLICIES ON THE OUTLOOK FOR WORLD TRADE", INTERNATIONAL MONETARY CONFERENCE, BOSTON, JUNE 2, 1986, (MIMEO) P.9.
- (2) WORLD FINANCIAL MARKETS, APRIL/MAY 1986, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, P.3.
- (3) R. DALE, "IS THE U.S. ALREADY A DEBTOR NATION?", THE BANKER, DECEMBER 1984, PP. 8-9.
- (4) "FDI AND TNC'S IN SERVICES", THE CTC REPORTER, No. 20 (AUTUMN 1985), U.N. CENTRE ON TRANSNATIONAL CORPORATIONS, NEW YORK.
- (5) CHRISTOPHER FREEMAN, "THE CHALLENGE OF NEW TECHNOLOGIES", OECD 25TH ANNIVERSARY SYMPOSIUM, PARIS, OCTOBER 1986 AND RAYMOND VERNON, "GLOBAL INTERDEPENDENCE IN AN HISTORICAL PERSPECTIVE", SAME SYMPOSIUM. SEE ALSO GEZA FEKETEKUTY AND JONATHAN D. ARONSON, "MEETING THE CHALLENGES OF THE WORLD INFORMATION ECONOMY", THE WORLD ECONOMY, VOL. 7, No. 1, MARCH 1984.

- (6) OECD. INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES. PARIS. 1983 AND STRUCTURAL ADJUSTMENT AND MULTINATIONAL ENTERPRISES. PARIS. 1985 AND GROUP OF THIRTY. FOREIGN DIRECT INVESTMENT 1973-87. NEW YORK. 1984.

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# STATEMENTS AND SPEECHES

Statement by Mr. Stephen Lewis,  
Ambassador and Permanent Representative  
of Canada, to the 41st Session  
of the United Nations General Assembly  
on item 12: Human Rights



NEW YORK, UNITED STATES  
November 25, 1986

Canada





## CANADIAN INTERVENTION

### ITEM 12: REPORT OF THE ECOSOC

Mr. Chairman,

Under Item 12 we take stock of the situation of human rights throughout the world. It is the point at which we assess the institutional mechanisms established by this Organization to give effect to the principles of the Charter. It also provides an opportunity to examine, in critical fashion, the wide gap between the noble sentiments espoused by so many delegations, and the bleak reality of human rights in most parts of the globe.

Forty years of work by the UN has seen the construction of a solid foundation for the promotion of human rights. This work, to be sure, has been slow, incremental and sporadic. But it is well to compare the activities of working groups, special rapporteurs, special representatives and confidential procedures with what existed in 1946, because to do so, drives us to the inevitable conclusion that the United Nations has produced a virtual revolution in international law and practice. It has placed individuals and groups at the forefront of protective and promotional measures. It has rendered states accountable for their behaviour towards their own citizens. It has robbed even the most powerful countries of their traditional defences and excuses for obstructing international scrutiny.

Our confidence in the value of this collective work should not be confused with complacency. We are conscious of the frailty of some of our procedures and of the machinery for promoting human rights. We have recently seen that budgetary measures can have debilitating effects on already strained programs. Indeed, any additional reductions in the absurdly meagre support allocated to the human rights activities of the United Nations would have an even more deleterious impact. If I may be blunt: destruction of our carefully constructed mechanisms for the promotion and protection of human rights would further erode public support for this Organization in numerous members states. We cannot afford, and will not tolerate, a drift towards institutional paralysis in the human rights field.

Our concern for the promotion of human rights stems from obvious but fundamental considerations. Some can be traced to the tragedies of the Second World War and the atrocities which gave rise to the human rights provisions of the UN Charter; some are the products of more recent developments - - systematic violations of human rights which have destroyed economic and social progress in a number of developing countries, or the

heavy hand of oppression in the Soviet bloc, seeking to stifle freedom of religious expression, trade union rights and every legitimate aspiration to self-determination.

That such concerns remain a fundamental and integral part of Canadian foreign policy was underscored in the recent report of the Special Joint Parliamentary Committee on Canada's International Relations. Following discussions with citizens in every regions of Canada, the Committee expressed the view that "the promotion of human rights is a vital and natural expression not only of Canadian values but also of universal values to which all governments, like individuals, are subject".

The United Nations is an organization of governments. But our concerns are less with the immediate proprieties of state-to-state relations than with a fundamental concern for people. These concerns are elemental: all people have a right to live in dignity; they have a right to the freedom essential to the full development of their capabilities; they have a right to live without fear of reprisal and intimidation; they have a right to transmit to succeeding generations values of decency, integrity, generosity and compassion.

Why should the espousal of these principles engender conflict? On what basis can other governments take offence at these sentiments? Let me elaborate by way of illustration. During the 1970s, Canada raised in this forum two of the most egregious human rights situations of that era - Uganda and Argentina. In reply, we were threatened with actions by the Organization of African Unity, to which Uganda belonged, and with bilateral economic sanctions by Argentina which was, of course, a member of the Latin American group. And then, within a few years, both governments changed. Both appointed new representatives to speak for their governments and for their new situations. Both appreciated the limited measures taken by this body in an effort to promote constructive change. Both bore witness to the need for stronger procedures to prevent the violations of human rights which had taken place in their respective countries, perpetrated by governments which had lost all moral authority in the eyes of their people.

These examples raise disturbing questions. What might have happened in other situations had this organization taken stronger action at the right moment? In the 1940s, when we began deliberations on procedures for the protection of human rights, we might have prevented - had we acted - the drift to South African racism so that today we would not be faced with the polarizing scourge of apartheid. Had this organization responded to evidence of flagrant violations committed by the government of the Shah of Iran, we might have spared that country



the bloodshed and suffering it has endured under the current regime for the past seven years.

There are repetitive patterns in these and other situations treated by this Organization in past decades. First, there is the protective capacity of various great powers, and their ability to extend their fraternal shield over surrogate states and allied regimes. Second, there is the capacity of regional organizations to use their voting strength to prevent decisive action against their member states, regardless the documented gravity of the case. Third, there is a crippling reluctance to violate the principle of the sovereignty of states which, if confronted in objectionable situations, would permit an objective investigation of the facts.

The result has been an uneven series of accomplishments. Special rapporteurs or representatives have been appointed in a few important and prominent cases. The fact-finding and conciliation functions of the organization have been reinforced and strengthened. But many other situations have been allowed to pass unnoticed: we abound in double standards.

As things now stand, the range of situations on the agenda of the Commission on Human Rights defies easy categorization. The regional scope is relatively broad. The allegations cover numerous generic and thematic rights. Emphasis, quite rightly, is placed on gross and persistent violations of human rights and on immediate situations where rapid remedial action might be possible.

Most prominent among the states not subject to examination has been the Soviet Union. Yet there is hardly a shortage of material analyzing in comprehensive and convincing fashion the total failure of the Soviet Union to abide by its charter and treaty obligations in the human rights fields. The USSR has reduced Principle Seven of the Helsinki Final Act - "The right (of citizens) to know and act upon their rights" - to a travesty of its original intent.

Among the victims of oppression have been Soviet Jews who have suffered from a systematic and methodical campaign to obliterate their culture, language and religious heritage. Those who live in the Soviet Union are subjected to a growing and virulent campaign of anti-semitism - in fact, in the words of Andre Sakharov, anti-semitism has been raised to the level of religion in a godless society. Those who attempt to emigrate are the targets of intimidation, trumped-up prosecutions, incarceration in psychiatric hospitals, internal exile and imprisonment in work camps. Soviet Jewry has become a focal point in the rhetorical battles of an increasingly tendentious Cold War. Prominent



cases have been settled, not on the basis of rights and obligations, not under the provisions of the Soviet constitution, but as bargains and trade-offs in a cynical campaign of public relations that has rendered justice to a select few while leaving the more fundamental issues untouched.

With countless others, we plead for the release of Ida Nudel and Vladimir Slepak. But we know that they, as the Scharanskys' who suffered before them, are but metaphors for the Soviet reality; a reality which turns requests for family unification into criminal charges of "malicious hoologanism; a reality which gives freedom to a handful while denying visas to tens of thousands; a reality which converts the Soviet Constitution and the Soviet Bill of Rights into weapons for the prosecution.

Other religions and minorities have suffered similar fates. For the almost fifty million Muslims who reside within the borders of the Soviet Union, the free and open practice of their religion is impossible. In the past few years, there has been a dramatic escalation in Soviet activities directed against Baptists, Pentecostals, Adventists, and Catholics. All have been subjected in varying degrees to equally systematic attempts to destroy the basis of religious practices. So, too, the fate of Soviet dissidents of every faith - for them the words "human rights" are but a cynical phrase in the vocabulary of legal repression. It is difficult for a world which seeks to trust Soviet promises on arms control to reconcile those promises with what we know of equivalent Soviet commitments on human rights.

And Afghanistan compounds the problem. For more than six years the people of Afghanistan have been subjected to an obscene war of occupation and liquidation at the hands of Soviet forces. Atrocities have been clinically documented by our own Rapporteur. Evidence is as overwhelming as it is sickening. Yet no attempts have yet been made by Soviet authorities to square their record in Afghanistan with their solemn pronouncement in support of respect for human rights and the self-determination of peoples.

It would be some comfort to believe that such flagrant violations of human rights were restricted to one region or practised by one ideology. It would be equally gratifying to believe that the slow march of totalitarian and authoritarian practices had been definitively halted. But the evidence is otherwise. There continue to be reports of prisoners of conscience in countries as ideologically diverse as Chile and Cuba, South Africa and Vietnam. There are clear limits to trade union activities, restrictions on free expression and curbs on political organization in Nicaragua, a country that emerged from a dictatorship of

pervasive brutality, but which has yet to fulfill the high hopes of its liberation some seven years ago. Disappearances, summary executions, extra-judicial punishments and torture are common practices by governments of the left and right alike, and in virtually all areas of the world. Not even the servants of this Organization are free from arbitrary persecution, as we have seen in Romania's treatment of Liviu Bota.

One of the most persistent forms of repression has been directed against minority groups. In Iran, adherents of the Baha'i faith have been the object of a concerted campaign of intimidation, persecution and imprisonment that has left many of its followers dead and rendered others exiles beyond the borders of their homeland. Bulgaria authorities, seeking to create an orthodox socialist nation, have engaged in an unrelenting campaign of forced assimilation of ethnic Albanians, Gypsies and Armenians. Recently, these efforts have assumed incredible dimensions with the government denying even the existence of a group of Turkish origin comprising almost 10 per cent of the Bulgarian population. Forced name changes and abandonment of Moslem religion, customs and language, not to mention arbitrary arrests and imprisonment of resisters, are among the methods employed to ensure rightful place of ethnic Turks in socialist Bulgaria.

Many of these situations defy easy analysis. At their roots are complex histories of irrational colonial boundaries, legacies of conquest, or long periods of foreign rule. In a few cases, like that of Cambodia, the immediate and appalling violations of human rights have been further assaulted by the occupation by neighbouring Vietnam. In many situations, human rights deprivations are but one element in a terribly complicated scenario, be it demands for devolution by Tamil minorities in Sri Lanka, the spectre of civil strife in El Salvador, or controversial displacements by the Government of Ethiopia. Understanding the complexities of these cases is useful and necessary. But no political rationalization can substitute for a vigilant insistence on respect for human rights.

The regional variations are equally complex. In Central America, several states have only recently begun to escape the twin nemeses of authoritarian governments and chronic social under-development. In El Salvador, the government has extended cooperation with the special representative of the Commission on Human Rights and confirmed its commitment to full respect for human rights. But much remains to be done. Effective police and judicial services have yet to prove their ability to eliminate political assassination, to control the activities of security forces and to ensure the effective protection of individuals and respect for human rights. The process of national reconciliation is wounded by the continuing civil strife, and by a failure of both sides to honour the provisions

of the Geneva Conventions.

In Guatemala, a newly elected civilian government has committed itself to reform in the field of human rights. However, progress continues to be slow. The persistence of death-squads and new cases of disappearances are cause for profound concern. The key in Guatemala is to respond to the humanitarian and development needs of the Guatemalan people, while supporting a process which leads to positive change and effective democratic government ensuring full respect for human rights.

In South America over the past five years, a wave of popular revulsion against authoritarian regimes and military juntas has resulted in a rapid transition to democratic rule, and to a number of new governments resolutely committed to the defence of human rights. But Paraguay remains an island of troubled isolation. And in Chile, thirteen years after the initiation of military rule, a spiral of violence blocks the return of democratic constitutional rule which protects human rights. The re-institution of a state of siege has tightened the noose on freedom of expression and circumscribed further freedom of association. There are new allegations of torture and extra-judicial assassinations to add to the sorry history of exiles and disappearances.

How do we handle such situations in the work of this organization? How do we respond to serious allegations propounded by credible individuals, groups and organizations? There are, we believe, several points worth making:

First, Mr. Chairman, this committee and other related bodies should not be allowed to become mere chambers of complaints and forums of lost causes. While institutional mechanisms are necessary to permit the presentation of information and to allow for objective follow-up, existing procedures are slow and selective. The reporting measures of the covenants and conventions are simply not enough.

We require a multi-faceted approach that consists of a number of basic elements: an ability to act rapidly in urgent cases, perhaps through the good offices of the Secretary-General or the Chairman of the Commission on Human Rights; a capacity to establish fact-finding and conciliation missions as medium-term measures; and a longer-term strategic approach which might include comprehensive recommendations to reinforce the capacities of states to safeguard human rights. The working group on disappearance has already provided a model of what is feasible in limited circumstances. What is now necessary is more of the same on additional themes.



Second, the critical roles of special rapporteurs and representatives must be recognized, and their capabilities safeguarded and strengthened. We profoundly regret that several reports by special rapporteurs were subject to selective and arbitrary decisions regarding length and circulation which, in two cases - those of El Salvador and Afghanistan - rendered the document far less useful as the basis for serious discussion. In the case of Iran, the quality of the report is so lamentable as to be virtually irrelevant to this debate. These lapses are unacceptable; they severely undercut the work of the U.N. in the human rights field.

Although the mandates of special rapporteurs have varied enormously in the past decade, the time has come for greater uniformity in their designation and reporting functions. We believe that special rapporteurs must be allowed to conclude their work in all cases. Some governments have committed their states to greater respect for human rights, and promised fundamental changes. That is all to the good. But while recognizing those sound intentions, this organization must have a means of ensuring that intentions are translated into action. Even the most dedicated commitment to pluralistic democratic principles does not guarantee compliance in practice. In the case of both Guatemala and El Salvador, for example, newly-elected civilian governments have promised moves in a positive direction. However, we believe that the mandates of the special rapporteur and special representative in those cases should be continued. Their work must go on until there is agreement that their mandates can be terminated in recognition of an effective effort to promote full respect for human rights.

Third, we need to establish differential treatment for those states, such as Iran and Afghanistan, which refuse to cooperate with U.N. human rights activities. Where states do admit fact-finding bodies, or agree to useful measures of reform, we could afford recognition to their efforts commensurate with the extent of follow-up action. Where full cooperation is assured, and concrete steps are taken in keeping with the expectations of the international community, a degree of confidentiality and discretion could accompany the work of the special rapporteur. But where states categorically deny their charter obligations to cooperate, the full authority of this Organization should be brought to bear to ensure that their behaviour is a matter of public record. Perhaps international opprobrium will succeed where institutional niceties have failed.

Fourth, we must work to construct a more sensitive approach to UN action in those cases where states are emerging from difficult human rights situations and require the solidarity of the international community to consolidate fragile gains.



In Haiti and the Philippines, repressive regimes have been succeeded by new governments dedicated to a fresh approach to human rights. They must be supported and encouraged. Equatorial Guinea has only recently emerged from a tragic situation in which an ugly regime succeeded in destroying the very infrastructure of the country. Uganda, as well, endured one of the most notorious governments of the 1970s before finally emerging with a government publicly committed to greater respect for human rights. In all these cases, the assistance of the United Nations has been crucial in the economic and social spheres; with care and discernment we could be equally crucial in the restoration of human rights and fundamental freedoms.

Finally, Mr. Chairman, complementary support from national and regional and non-governmental institutions should be encouraged. The global standards of this organization, rooted in the Declaration of 1948, provide the basic framework. The fact-finding, conciliation and monitoring mechanisms developed under various instruments and procedures afford useful examples to other bodies. We acknowledge especially the work of the Inter-American Commission on Human Rights, and we welcome the recent entry into force of the African Charter of Human and People's Rights. Amnesty International, the vast array of church groups, and the Helsinki Watch Committees play indispensable roles - their submission and their commitment are invaluable. National and regional and NGO institutions however, require the active support and assistance of the entire international community. We therefore welcome the initiative of the Centre for Human Rights in launching training programs in the human rights field, and we look forward to placing all such efforts on a solid budgetary foundation.

Mr. Chairman, we listened with interest to earlier portions of this debate. We noted the charges and counter-charges of the United Kingdom and the Soviet Union, and a later exchange between the Soviet Union and the United States. It occurred to us then, as it does now, that our own intervention might trigger similar rights of reply, and provoke similarly heated arguments. But about human rights there can be no equivocation, no cavilling, no sophistry. If some are angered, let the issue be joined.

In many respects this chamber is ill-suited to the tasks of discharging its charter mandates. Non-governmental organizations have always been better than governments at describing situations in comprehensive, if brutal, clarity. We represent governments. Our governments have interests. It is therefore frequently tempting to bury views behind high-sounding phrases rather than to face the issues directly.

But beyond our governments, well beyond the immediate interests of foreign relations, are the people of this world. They look to this organization for hope and inspiration. They look to the Charter and the governing principles of the Universal Declaration. They cry out for protection and the redress of grievances. It is to those people, and on their behalf, that we must dedicate our work. We do not expect other governments to embrace us fondly for critical comments. But we do intend them to understand the fundamental premise which shapes our views: we are passionately determined to act upon our charter obligations to promote and protect human rights.



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# STATEMENTS AND SPEECHES



Canada's Role in the International  
Year of Peace

Address given by Mr. Douglas Roche,  
Ambassador for Disarmament

Canada

MOSCOW, USSR  
December 9, 1986





## CANADA'S ROLE IN THE INTERNATIONAL YEAR OF PEACE

In opening this series of talks on Canada's role in the International Year of Peace, I wish to thank the government of the Soviet Union for receiving me. I have come to Moscow to follow the initiative of Canada's Secretary of State for External Affairs, the Right Hon. Joe Clark, who himself visited the Soviet Union last year, affirming the importance of inter-governmental visits. In Moscow, Mr. Clark stated:

"... even where differences exist, consensus can be built upon a foundation of mutual understanding and areas of common purpose."

This theme was also emphasized during the very welcome visit to Ottawa of the Soviet Foreign Minister, Edouard Shevardnadze. Thus, our two countries are moving forward in contributing to increased political confidence between East and West based on dialogue, restraint and exchanges. In this way we are contributing to enlarged understanding that authentic security is multi-dimensional and indivisible; security today is measured in political, economic and cultural terms as well as military.

All of us recognize that the journey to full understanding of the planet as common ground is a long one. That is undoubtedly the reason why the United Nations, in its consensus resolution a few days ago thanking governments and the public for participating in the 1986 International Year of

Peace, asked everyone "to persevere" in applying the principles of the U.N. Charter so that humanity could reach the threshold of the 21st century in the full enjoyment of a stable and lasting peace.

It is in that spirit that I have come to your country. I want to tell you how we in Canada view the broad agenda of the International Year of Peace. As you know, the IYP is essentially a challenge to governments and peoples of the world to focus more clearly on the multi-dimensional nature of peace -- conflict resolution, economic and social development, human rights, elimination of racial discrimination, as well as the traditional issues of arms control and disarmament. All these themes must be advanced as the world continues to evolve into a global community with increasingly close relationships among all peoples.

Peace can no longer be defined as the absence of war, though the avoidance of nuclear war must be the chief priority.

Peace requires more than a reduction of arms, though disarmament measures are essential.

Peace demands the attaining of true human security so that people everywhere can live free of the threat of war, free of violations of their human rights, free to develop their own lives to attain economic and social progress.

At the centre of this multi-dimensional work is the need to improve East-West relations, which have been characterized by forty years of tension and escalating armaments. The improvement of relations and reductions in nuclear armaments are both required and would be mutually-reinforcing contributions to security. Arms control is essential to all progress. But, as we know, the field of arms control is itself highly complex, technical and, above all, political. It is easy to advocate ridding the world of nuclear weapons -- numerous proposals have been put forward since the Baruch Plan of 1946 -- but it has been very difficult to find a way of negotiating them down to acceptable levels on the basis of equality.

A significant step was taken in this direction at the first Summit meeting, in 1985, between General Secretary Gorbachev and President Reagan. In their joint declaration, the leaders agreed that "a nuclear war cannot be won and must never be fought." As well, they identified several areas in which the USA and USSR had a common interest in progress. These include:

- accelerated work at the nuclear and space talks in Geneva;
- the further enhancing of the Non-Proliferation Treaty;



- accelerated global efforts to conclude an effective and verifiable convention banning chemical weapons;
- agreement to work for positive results at the Vienna MBFR Talks and the Stockholm Conference on Confidence and Security Building Measures and Disarmament in Europe.

The second Gorbachev-Reagan Summit in Reykjavik raised the hopes of the world that, through further dialogue, agreement could be reached on truly radical reductions in nuclear weapons. For, as Prime Minister Brian Mulroney told the Canadian Parliament, the elements are in place for an ongoing civilized dialogue at Geneva and, hopefully, one which will result in General Secretary Gorbachev coming to the United States as agreed upon. The Prime Minister added:

"There are stumbling blocks on both sides. That is what negotiations are all about, sitting down with open minds, knowing the objections on both sides and trying to effect an honorable compromise."

The Canadian government hopes that people of goodwill will achieve a substantive accord, which could be signed at an early summit. Arms control, however, is a fragile process. Its environment must be protected. It is therefore doubly important that all actions be resisted which might be seen as

weakening or unravelling the existing international framework on which East-West relations and arms control are built. Compliance with existing agreements is essential.

Establishing and sustaining political dialogue at the highest level in order to build on the common ground between East and West is, then, a step of fundamental importance. The successful conclusion of the Stockholm Conference, which will bring new openness and predictability to the conduct of military affairs in Europe, is a further advance.

This approach has been a consistent element of Canadian foreign policy. At the conclusion of his visits to many world capitals in 1983, Former Prime Minister Pierre Trudeau suggested ten principles of a common bond between East and West:

- Both sides agree that a nuclear war cannot be won.
- Both sides agree that a nuclear war must never be fought.
- Both sides wish to be free of the risk of accidental war or of surprise attack.

- Both sides recognize the dangers inherent in destabilizing weapons.
- Both sides understand the need for improved techniques of crisis management.
- Both sides are conscious of the awesome consequences of being the first to use force against the other.
- Both sides have an interest in increasing security while reducing the cost.
- Both sides have an interest in avoiding the spread of nuclear weapons to other countries, so-called horizontal proliferation.
- Both sides have come to a guarded recognition of each other's legitimate security interests.
- Both sides realize that their security strategies cannot be based on the assumed political or economic collapse of the other side.

These principles, reflected in the Gorbachev-Reagan 1985 Summit statement, broaden the perspectives of East-West relations and stimulate greater international effort in the search for a durable peace.

In his first speech immediately after assuming office in September 1984, Prime Minister Mulroney reiterated the commitment of the Canadian government to work effectively within the world's multilateral forums to reduce tensions, alleviate conflict and create the conditions for a lasting peace. He said:

"There can be no let up in our efforts to reduce the threat of war. No matter how frustrating or difficult, negotiations must be pursued ... The exercise of political will is nowhere more important than on this issue on whose outcome the lives of our children and humanity depend."

And he added:

"No matter how much we may accomplish here in Canada, I will have failed in my most cherished ambition if under my leadership Canada has not helped reduce the threat of war and enhance the promise of peace."

External Affairs Minister Clark carried the Government's commitment into the global community when he stated in an address to the 39th General Assembly of the United Nations:

"Canada, for its part, is determined to continue to play a leading role in the search for peace and disarmament. We believe the nuclear build-up threatens the life of every Canadian, and the existence of human society. Countries like our



own must use influence to reverse that build-up and reduce the danger of destruction. That will be a constant, consistent, dominant priority of Canadian foreign policy."

\* \* \*

I would like now to turn to a discussion of Canada's policies in the field of international peace and security. As Prime Minister Mulroney has stated, there are four essential components: the pursuit of arms control and disarmament, the defence effort, peacekeeping and conflict resolution. Each must be pursued and the world should recognize that arms control is "a component of, not a substitute for, a healthy national security policy."

In the field of arms control and disarmament, the Canadian Government has enuciated six specific objectives. They are:

- negotiated radical reductions in nuclear forces and the enhancement of strategic stability;
- maintenance and strengthening of the nuclear non-proliferation regime;
- negotiation of a global chemical weapons ban;

- support for a comprehensive test ban treaty;
- prevention of an arms race in outer space;  
and
- the building of confidence sufficient to  
facilitate the reduction of military forces  
in Europe and elsewhere.

What is Canada's practical contribution to arms control? Here, there are three aspects:

- We want to encourage compliance with  
existing treaties. To deviate from full  
compliance with arms control and disarmament  
agreements is to threaten the basic  
credibility and viability of arms control.  
Canada has reiterated on a number of  
occasions the need for compliance by all  
parties with existing treaties to include  
the ABM treaty and SALT agreements. We  
believe nothing should be done to undercut  
their authority.
- Our second practical contribution is in the  
field of verification. This is an area  
where Canada is making a practical

contribution to resolving arms control negotiating problems. Through its Verification Research Unit, Canada is focussing on practical, technical problems

-- linked to verification that must be resolved as a prerequisite to incorporating binding verification provisions in arms control treaties. Our verification research programme has continued its work on key issues relating to a limitation of nuclear testing leading to a comprehensive test ban, a global chemical weapons convention, and the prevention of an arms race in outer space. At the United Nations, we were pleased that the First Committee unanimously approved for the second year in a row, a Canadian-initiated resolution emphasizing the critical role of verification in the arms control and disarmament process.

-- Finally, building confidence between East and West. We welcome the enhancement of the political dialogue between East and West and the expansion of people-to-people contacts can help to foster East-West understanding. Canada and the Soviet Union, for example,

recently signed a two-year programme of academic, cultural and scientific exchanges for the period 1987-88. We are also fully

-- supportive of the CSCE process and are currently participating in the Vienna Follow-Up Meeting that convened in November to review the whole spectrum of CSCE activity. If the CSCE process has known certain frustrations and failures, it has still been a most valuable forum for the essential dialogue that must be continued between East, West and the Neutral and Non-Aligned. But to have success in the CSCE, it is essential that each signatory country respect their previous engagements, engagements made by all the signatories to the Helsinki Final Act. I will speak more of this in a subsequent talk.

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I would now turn briefly to mention the other components of Canada's security policy.



Canada is a member of the NATO alliance, a defensive alliance of like-minded nations sharing common values and aspirations. We are members out of choice, not circumstances, and have sought to strengthen our commitment to NATO through the enhancement of our military presence in Europe. NATO, above all, is a defensive alliance. As the NATO Foreign Ministers said in Portugal last year:

"We do not seek military superiority for ourselves. None of our weapons will ever be used except in response to attack."

Canada and all nations have an interest in ensuring that small regional conflicts be stopped before they flame into dangerous confrontations involving the major powers.

Canadian participation in peacekeeping operations has sought to help to prevent the outbreak or spread of hostilities, so that underlying political problems can be settled through negotiation. In fact, Canada stresses the important link between peacekeeping and peacemaking efforts, in the difficult process of international conflict resolution. After all, peacekeeping is not an end in itself. Overall, between 1947 and 1985, some 77,000 Canadian Forces personnel have taken part in 15 United Nations peacekeeping operations and three truce supervisory missions. At present, Canada is involved in five UN-sponsored activities -- in Korea, India, Pakistan, Cyprus and the Middle East. Last year, we also agreed to join the

multinational Force and Observers (MFO) in the Sinai Peninsula as our contribution to the reinforcement of the peace agreement between Egypt and Israel.

\* \* \*

Finally, I would like to address briefly the special effort that Canada has made to mark the International Year of Peace. The Canadian Government undertook a major programme which included the following elements:

- A contribution of \$10,000 to the International Year of Peace Voluntary Trust Fund of the United Nations. This contribution was part of Canada's overall contribution of \$100,000 to the objectives of the United Nations World Disarmament Campaign. During the first three years of the World Campaign, Canada donated \$300,000, which was more than 20 percent of the total convertible pledges received. Canada attended the successful regional conference in Tblisi, Georgian SSR, and would like to commend the Government of the USSR and the U.N. Department of Disarmament Affairs for the organization of this event.

-- A second component of our programme was a cross-Canada tour that I made last spring. I visited every province in Canada to discuss the International Year of Peace and the question of the relationship between disarmament and development with members of our non-governmental Consultative Group on Disarmament and Arms Control Affairs and with interested Canadians at public meetings.

-- We have published a selection of essays written by distinguished Canadians and dealing with the broad themes of the International Year of Peace from individual perspectives. This commemorative book was prepared in order to encourage reflection on the basic requirements of peace in the contemporary world.

-- An essay competition for Canadians dealing with the theme "What is peace and what can I do to achieve it" and a poster competition on the International Year of Peace was held. The eight winners of the competition were awarded a trip to the United Nations in New York. A commemorative stamp was issued

by Canada Post Corporation and released on September 16, the International Year of Peace, as part of a special ceremony on Parliament Hill in Ottawa. A commemorative IYP gold coin was issued by the Royal Canadian Mint. Additionally, many projects helping to build greater understanding of the issues in the public were funded by the Government.

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This activity shows that Canada -- as well as other nations -- is not indifferent or impotent in building a safer world. There is still much to do in the international arena and Canada pledges, once again, to do everything in our power to strengthen the international machinery of peace.

This world-wide activity must reinforce the efforts of the superpowers to find bilateral agreements. Although 86 percent of the people of the world do not live in the United States or the Soviet Union, we are all caught up in the fall-out from this relationship of the two great superpowers who together possess more than 95 percent of the more than 50,000 nuclear weapons in the world. Their relationship, as is obvious, affects everyone. It is in the interests of everyone



to help improve the entire East-West relationship and, as the U.N. Secretary General, Javier Perez de Cuellar, said in his acceptance speech for his second term, to "demand of the Governments of States which possess nuclear weapons that they reflect upon their responsibility to their peoples and to the planet itself and pursue policies that will lead to the elimination of these weapons."

The Reykjavik Summit revealed that the portents are more encouraging now than they have been for many years. The ideals of the International Year of Peace must continue to drive us forward. Results won't come without effort and the stakes are high. The task is clearly for everyone. Canada, for one, will continue to work in every way possible toward our common goal of a world of confidence, security, trust and peace.



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# STATEMENTS AND SPEECHES



## Why Canada Stresses Verification

Address given by Mr. Douglas Roche,  
Ambassador for Disarmament



## WHY CANADA STRESSES VERIFICATION

Canada believes that verification is the single most important element in international arms control and disarmament negotiations.

Why is that so? What is Canada doing to advance the techniques of verification? How can the United Nations strengthen a verification system? These are the questions I want to focus on in this second address in the Soviet Union as I discuss Canada's role in the International Year of Peace.

At the outset we must recognize that it is unfortunately true that arms control agreements cannot be negotiated on the basis of trust alone. The highly sophisticated nature of today's weapons means that, in order to be meaningful and durable, arms control and disarmament agreements must have provisions that ensure compliance and build confidence in the validity and integrity of a treaty. Because arms control agreements are directly related to the security of signatory nations, effective verification measures are vital.



Any arms control agreement, or confidence-building agreement, such as was recently negotiated at the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe, essentially represents a compromise between contracting parties. Each side bases at least part of its national security on the promises of the other side, that all parties will live up to their obligations, rather than entirely on the strength of its own weaponry. Since the benefit to each signatory is derived from the compliance of the other with the terms of the agreement, there is a natural desire for some form of external assurance that all participants are fulfilling their obligations.

Simply put, then, verification is the means by which assurance is gained. Consequently, the reliability and adequacy of the verification provisions included in an arms control agreement is usually of vital importance to the successful negotiation of the agreement and the successful operation of the agreement once it enters into force. At the same time, by confirming that activities prohibited by agreements are not taking place and that parties are fulfilling their obligations, verification can help to generate a climate of international confidence that is indispensable for progress in arms control.

In its approach to verification, Canada is guided by the recommendations of the First and Second United Nations Special Sessions on Disarmament, where all governments were urged to examine the problem of verification and consider adequate measures and provisions.

In 1979, following a review of the past 25 years of the arms control and disarmament process, Canadian experts concluded that verification had become the most significant factor in international arms control and disarmament discussions. It was clear to Canada that a) verification was an area where much misunderstanding existed; b) verification was an area where relatively little research was being undertaken and c) verification was discussed in a very ad hoc fashion and was being developed to meet criteria within specific negotiations.

At UNSSOD II, former Canadian Prime Minister Pierre Trudeau identified the arms control and disarmament issues which Canada considered to be priority matters, and focussed on the process of verification. The following year, in 1983, in response to the principles expressed at UNSSOD I and II, the Government of Canada announced the establishment of a Verification Research Programme with a budget that has now reached \$1 million annually.

The programme focusses on certain Canadian arms control and disarmament priorities. Projects include: (i) research studies for application to problems in international negotiations; (ii) specialized technical training programs; (iii) hosting of international symposia of experts on specific subjects; (iv) liason with national and international bodies outside of Canada engaged in verification issues; and (v) public presentation of verification issues.

In sharing the results of our work with the international community, we hope to contribute to easing the political and security concerns and overcoming the lack of confidence that have kept nations divided. For that reason, Canada welcomed the statement issued by the Five-Continent Peace Initiative at their summit meeting in Mexico that they seek cooperation with non-nuclear states "in international verification arrangements related to future nuclear disarmament."

Canadian Government priorities in the verification field are:

- The achievement of a comprehensive convention to ban chemical weapons.
- The negotiation of a comprehensive nuclear test ban treaty.
- The prevention of arms race in outer space.
- The pursuit of arms control and military confidence-building in Europe.

Among the most recent projects and studies conducted by the Verification Programme to support those priorities are the following:

-- Chemical Weapons: On December 4, 1985 Canada presented to the United Nations Secretary-General a "Handbook for the Investigation of Allegations of the Use of Chemical or Biological Weapons". The Handbook is a result of a study by Canadian scientists and officials and represents a practical contribution to the investigation of allegations of noncompliance with existing agreements relating to chemical weapons.

-- Comprehensive Test Ban: On February 7, 1986 the Canadian government announced its decision to spend \$3.2 million over three years to upgrade the Yellowknife Seismic Array as a major Canadian contribution to research into monitoring an eventual comprehensive test ban treaty (CTBT). Yellowknife, in the Canadian Northwest Territories, is recognized as a unique and sensitive location to monitoring global seismic events including underground nuclear tests. The programme to update and modernize the Yellowknife Seismic Array will enable Canada, using the best technology available,



to contribute to an international system which one day may constitute an essential monitoring element of a negotiated CTBT. In October, 1985, a two-year research grant was awarded to the University of Toronto to examine the effectiveness of using regional seismic data, and in particular high-frequency seismic waves, to discriminate between earthquakes and underground nuclear explosions, including those conducted in decoupled situations. And in October of this year, Canada hosted a technical workshop for seismic and data communications specialists from 16 countries, including the USSR, to discuss the exchange of seismic waveform data, i.e., the original digital data from seismic events detected at participating seismograph stations. This work will be made available to the Conference on Disarmament.

-- Outer Space: Canada has investigated some aspects of the technical requirements that might exist for verifying a multilateral agreement to control space weapons. Under the "PAXSAT A" study as it is called, the feasibility of the practical application of space-based civilian remote sensing techniques to verify an outer space treaty has been examined.

I would like to now turn to Canada's efforts to deal with the verification question in the context of the multilateral arms control and disarmament forums.

At the Conference on Disarmament in Geneva, Canada has submitted working papers on the legal regime and technology relating to arms control and outer space. We work closely with the Group of Scientific Experts at the CD. We have investigated some aspects of the technical requirements that might exist for verifying a multilateral agreement to control space weapons. We have compiled and cross-indexed several useful reference volumes of speeches and working papers in the CD and its predecessor bodies which have been prepared and distributed to delegations in the Conference on Disarmament. These volumes are valuable tools which will facilitate research and discussions on particular issues on the agenda of the Conference on Disarmament.

At the United Nations General Assembly this year, Canada again initiated a resolution, entitled "Verification in All its Aspects," that recognized the importance of verification of compliance with arms control and disarmament agreements. This is the second successive year that Canada has initiated this resolution, which this year attracted twice the number of co-sponsors as last year, including representatives from the Western states, Eastern Europe, and the neutral and

non-aligned nations. The broad co-sponsorship for this resolution and the fact that it was again passed by consensus in the First Committee reflects the growing recognition of UN Member States that, for arms control and disarmament measures to be effective, they must provide for adequate measures of verification.

The Canadian-initiated resolution will give further impetus to the consideration of verification by the United Nations, by referring the subject to the United Nations Disarmament Commission (UNDC), a deliberative body that meets annually at the United Nations to consider a limited number of arms control and disarmament items. -The UNDC is expected to draw up principles, provisions and techniques to encourage the inclusion of adequate verification provisions in arms control and disarmament agreements, and to consider ways in which United Nations member states may play a larger role in the field.

In response to the first UN resolution on verification that was passed last year, more than 25 governments replied to the UN Secretary-General with their views on the question. In its response, the Canadian Government stated that it believes verification to be "the single most important element in international arms control and disarmament negotiations." As part of its report, Canada delineated six specific ways in

which the UN might acquire strengthened role in the verification process.

- It could give further consideration in the General Assembly or the Disarmament Commission to the essential role that verification plays in the arms limitation process, and therefore, in international security. This first goal was in fact achieved through provisions in this year's resolution asking for verification to be discussed in the UNDC.
- The United Nations could examine the possibility that individual nations or groups of nations possessing verification expertise could offer such capabilities to the international community for use in the verification of multilateral agreements.
- The United Nations could undertake research and examination of the organizational structures, procedures and techniques which might be devised and further developed for use by International Verification Organization (IVO) type organizations, utilizing the rich body of documentation generated over the years in the CD.



- The United Nations could provide greater assistance, advice and technical expertise to negotiators in the regional arms control and disarmament process with a view to combining international mechanisms with regional measures for verification (e.g., the control system of the Treaty of Tlatelolco, which utilizes safeguards from the International Atomic Energy Agency (IAEA) as well as the control measures provided by the Agency for the Prohibition of Nuclear Weapons in Latin America (OPANAL)).
  
- On a responsive basis, the United Nations might involve itself in the formulation and execution of verification provisions within agreements. Where a need exists, the United Nations should be prepared to help bring together verification expertise and encourage states to develop procedures through which this expertise can be applied in actual agreements.
  
- Given the appropriate flexibility, the United Nations could secure a stronger role in future regional arms limitation agreements. Should one or more arms limitation agreements be developed in any one region for which a space-based remote sensing

system could be an appropriate verification technology, it would be both reasonable and cost-effective for this space-based verification capability to be generated by a group of capable nations and provided for use under the auspices of the United Nations or a regionally-based IVO in the context of the agreement(s).

In conclusion, I would like to emphasize that in a very imperfect world where suspicion, uncertainty and lack of trust all too frequently characterize international relations, we must seek to ensure compliance with arms control agreements through adequate verification. Perhaps one day, in a better world, we may not need such requirements; but for the present time, to achieve and maintain the trust essential for sound and effective arms control and disarmament agreements and thereby build international peace and security, we must have effective verification.

As Canada's Secretary of State for External Affairs, the Right Honourable Joe Clark, said recently in the Canadian House of Commons:

"Many of the persisting obstacles to negotiating progress arise directly from a lack of trust. The priority attention Canada has given to verification issues ... attacks this question directly. Arms control agreements alone do not produce security; confidence in compliance produces security. Verification justifies that confidence."



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# STATEMENTS AND SPEECHES

Re-Building the Human Dimension  
in International Relations

Address given by Mr. Douglas Roche,  
Ambassador for Disarmament



Canada

LENINGRAD, USSR

December 13, 1986





## RE-BUILDING THE HUMAN DIMENSION IN INTERNATIONAL RELATIONS

What of the role of people in the great questions of security today?

In this third address in the Soviet Union, I would like to speak of the human dimension in international relations on two distinct levels that are both of major importance to the Canadian Government: firstly, ways in which informal, people-to-people contacts can build a better world; and secondly, how Canada sees the role of the "human dimension" in international affairs through the Conference on Security and Cooperation in Europe (CSCE) process.

Too often, the conduct of international relations is considered only in terms of relations between heads of state or between officials, conducted through state visits or formal meetings. We rarely talk about the role of people in the conduct of international relations. People, after all, make up the body politic. While a government may articulate the collective expression of the public mood, there can and must be a role for individuals -- the critical human dimension -- on the international scene.

Sometimes we tend not to give enough credence to the view that international relations can be improved, and existing tensions or misconceptions overcome, through unofficial, non-governmental channels. In many ways, person-to-person exchanges, contacts and informal dialogue outside the framework and protocol of rigid bureaucratic or political structures can be rewarding for those involved and can help break down the barriers of mistrust and suspicion that sometimes exist between peoples. The pursuit of a healthy international environment must not only be restricted to the official plane; there are many other ways of building bridges between peoples and cultures in an often troubled, self-centred and self-seeking world.

We must recognize that mankind shares this planet and that it must learn to live together despite the ideological divisions and mistrust that often divide it. This vision of the unity of mankind lay behind the founding of the United Nations in 1945 and the creation of the network of UN agencies that have done so much constructive work in many fields -- international development, health and educational programs, in international trade -- to name but a few, through a co-operative, multilateral approach. Sadly, today these very institutions are under sustained attack from some quarters and sorely need the support of all UN Member States.

The Canadian government, for its part, has reiterated publicly on a number of occasions its ongoing commitment to the United Nations system. We recognize there are problems in it but we are committed to improving it from within. We believe the UN represents an important means to extend economic development, reduce global tensions and improve respect for human rights.

I have in the past referred to the "common ground" approach to international relations. We live in a highly interdependent world where political decisions and economic policies pursued in one country can have a profound impact on citizens living in another country thousands of miles away. While we live in a world made up of many nation states -- with different socio-economic systems, languages and cultures -- we are becoming more and more dependent on each other for the prosperity, indeed the survival, of all.

It is my view that human contacts and dialogue can make an important contribution to the building of a better world. Increasing knowledge and understanding about the rest of the world ought to develop an awareness of other peoples and, hopefully, a sense of shared interests. This process may lead to a greater awareness that we all share the "common ground" on the planet together. It should also help to develop a sense of global consciousness and responsibility so that individuals begin to see themselves as part of the global community rather than simply part of a nation state.



What we really need is for cooperation to replace conflict as the modus operandi of international relations, to improve the common security and economic development of all states. And by security I mean more than freedom from aggression. What we are talking about is security in a larger sense that encompasses economic and social development, the respect for and protection of human rights, the freedom to pursue human contacts without interference, and an end to discrimination and injustice -- as well as the pursuit of legitimate national defence interests and arms control and disarmament measures.

What are the available avenues that lead to re-building the human dimension in international relations? The answer, simply put, is through contacts -- be it through travel, people-to-people, scholarly and scientific exchanges, correspondence, or through the "twinning" concept. In fact, these are just a few suggestions. The list is virtually endless. Between Canada and the Soviet Union, for example, we have established a number of important contacts through our mutual love for the game of hockey. Early in 1987, Canadian and Soviet teams will again come together, at Quebec City, to compete in "Rendez-vous '87", in the continuing "hockey contacts" that are followed closely and enjoyed by both our countries.

In many instances, it is through non-governmental organizations (NGO) that contacts are made. One of the most encouraging developments in Canada, for example, has been the expansion of the NGO network, through which more and more Canadians are becoming involved in and expressing their concerns about the international situation. These organizations are flourishing not only in areas such as disarmament, but also in working for a cleaner environment, and in the fields of human rights, and development. What they do is cut across national boundaries to link up with contacts and like-minded groups in other countries, in order to work together for their common objectives.

I recall that last year, I spoke at a conference in Toronto sponsored by Physicians for Social Responsibility, a group comprised of Canadian physicians concerned about the threat of nuclear war. A number of Soviet citizens participated at this event, following a cross-Canada tour where they met a large number of Canadians to discuss nuclear issues. But the physicians are not alone; lawyers, teachers, students have all developed their own networks of NGO's to raise public awareness and strengthen the dialogue on these issues.

Another important means of communication has been through twinning. In Canada, twinning is a well-established tradition, with over 200 cities and towns in Canada twinned

with sister municipalities in Canada or abroad. Vancouver, our gateway to the Pacific, for example, has been twinned with Odessa in your country since 1944, a link that has facilitated contacts between citizens of the two cities and developed East-West understanding in the process. Winnipeg, our great Prairie City, is twinned with Lvov, Thompson with Aldan, and Kingston is preparing to twin with Yaroslov. The greatest benefit of twinning, in my view, is the building of international cooperation and understanding at the municipal level, and the easing of tensions and mistrust between countries. Whether focusing on cultural exchanges or trade opportunities, twinning becomes a practical learning experience.

As I travel through your country, the question of the "human dimension" in the international situation, particularly as it applies to our bilateral relations and to the overall East-West situation, is especially important. As Mr. Clark said during his visit to the Soviet Union last year:

"My visit to the Soviet Union bears witness to the depth of the Canadian government's certainty that through such contacts our respective interests will be promoted, mutual confidence enhanced, and a contribution made to easing international tensions. It would be naive to deny the depth of the differences between Canada and the Soviet Union, but these differences themselves provide compelling reasons why we should seek to increase our efforts to understand each other."

A few weeks ago, Canada and the Soviet Union signed a two-year programme of scientific, academic and cultural exchanges for the period 1987-88, at the conclusion of the Sixth Canada-USSR Mixed Commission Meetings in Ottawa. The signature of a programme of general exchanges is in keeping with the Government's view that people-to-people exchanges can play an important part in the promotion of international understanding and can help ease East-West tensions.

It is this sort of exchange programme, involving direct people-to-people exchanges, that can help to foster East-West understanding. After all, we must break down the barriers of mistrust and suspicion that too often characterize the East-West relationship, if we are to achieve progress in other areas including our common desire to slow the arms race that diverts so much of our resources and to achieve concrete arms control and disarmament measures. For mutual understanding is, in my view, a prerequisite to disarmament measures.

I was pleased to see, for example, that Soviet scientists took part recently in a technical workshop in Ottawa sponsored by the Canadian Government for seismic data communications experts from 16 countries. They met to discuss the exchange of seismic waveform data as a means to verify an eventual comprehensive test ban treaty. We were also pleased



that the Soviet Union supported the Canadian-initiated resolution at the United Nations on the role of Verification in the arms control and disarmament process. These contacts illustrate the value of cooperation in the arms control and disarmament field.

But our desire to cooperate, not conflict, cannot close our eyes to circumstances or conditions which are the antithesis of justice or an impediment to security. These conditions must be recognized and dealt with in order that true and lasting security is achieved. This holistic approach to the question of security which, as I said earlier, encompasses questions of socio-economic development, human rights, national defence interests and the pursuit of viable arms control and disarmament measures, is also reflected, in the European context, in Canada's participation in the CSCE process.

The Final Act of the Conference on Security and Cooperation in Europe (CSCE), signed in Helsinki in August 1, 1975, addressed a range of issues reflecting the political, military, economic and humanitarian concerns of the participating states. The "human dimension" comprises Principle VII on Human Rights and Fundamental Freedoms, one or two other principles, and the third Basket which has as its principal themes human contacts, including family reunification and visits, the freer flow of information, and cultural and educational co-operation and exchanges.

In a wider sense, the concept of the "human dimension" in international affairs runs throughout the Final Act. It establishes that people, as well as governments, have a vital role to play in creating international stability and confidence, and that the freer flow of people, ideas, and information is an indispensable element in all facets of European security and cooperation. I regret to have to say to you here that what we have seen since Helsinki is a disappointing record of implementation of these commitments under the Final Act by some countries.

As Mr. Clark pointed out in his address to the opening plenary of the Vienna Follow-Up Meeting of the CSCE last month, confidence-building between East and West is at the core of the CSCE process and Canada is wholly committed to this process. However, he said, and I quote:

"In order to achieve progress, however, we will have to come to grips with a significant problem affecting confidence. Simply put, that problem is that confidence requires compliance. Some countries represented here today have failed signally to implement many of the commitments they undertook at Helsinki and Madrid, and indeed in some cases there has been backsliding since 1975. An important opportunity has thus been lost to strengthen security and cooperation in Europe. Even worse, by failing to implement commitments they made at the highest political level, these countries have contributed not to the building, but to the erosion, of confidence in the CSCE

process and, to a great extent, to an erosion of our confidence in their willingness to honour commitments in other areas."

Canada wants to see "positive signs" from participating countries who have failed to live up to principles of the Helsinki Act that they will undertake real steps to honour their commitments under the CSCE process. For many Canadians, continued confidence in this process will be primarily measured by the degree to which the contradiction between the actions of these countries, and their professed desire for détente, can be reconciled.

The Final Act, in our view, is indivisible. Confidence depends on making progress in all its component parts. The Act essentially enshrines three sets of relationships that are essential to enhancing security; government to government; government to people; and people to people. The signatories to the Final Act have committed themselves to fostering forward progress in each, without which true security is not possible.

It is this quest for true human security that now dominates the international agenda. The old animosities must give way to a new process of reconciliation. The growing number of cultural, religious, athletic, scientific, agricultural and business exchanges between peoples of many nations should increase

our understanding and respect for one another as human beings.  
The widening of this process of re-humanization in the nuclear era  
must gradually lead to political recognition of the common ground  
we all must protect.









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